

## **The Importance of Neotraditional Approaches in the Reconstructive Transmodern Era**

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### **Abstract**

I see the emergence of Buddhist Economics as part of a broader canvass of initiatives, thought streams and social practices that could be broadly termed 'neotraditional'. My aim in this essay is to offer a hypothesis of why their emergence is important, and what role they could play in movements aimed at reforming and transforming the current political economy.

### ***The Main Argument: the common immateriality of traditional and post-industrial eras***

It is not difficult to argue that modern industrial societies are dominated by a materialist paradigm. What exists for modern consciousness is material physical reality, what matters in the economy is the production of material products, and the pursuit of happiness is in very strong ways related to the accumulation of goods for consumption. For the elite, its powers derive essentially from the accumulation of capital assets, whether these are industrial or financial. Infinite material growth is really the core mantra of capitalism, even if it happens through the medium of money.

But this was not the case in traditional, agriculture-based societies. In such societies, people of course do have to eat and to produce, and the possession of land and military force is crucial to obtain tribute from the agricultural workers, but it cannot be said that the aim is accumulation of assets. Feudal-type societies are based on personal relations consisting of mutual obligations. These are of course very unequal in character, but are nevertheless very removed from the impersonal and obligation-less property forms that came with capitalism, where there is little impediment for goods and capital to move freely to whomever it is sold to.

In the more traditional societies that we have in mind, both the elite and the mass body of producers are united by a common immaterial quest for salvation, and it is the institution that is in charge of organizing that quest, like the Church in the western Middle Ages or the Sangha in South-East Asia, that is the determining organization for the social reproduction of the system. Tribute flows up from the farming population to the owning class, but the owning class is engaged in a two-fold pursuit: showing its status through festivities, where parts of the surplus is burned up; and gifting to the religious institutions. It is only this way that salvation/enlightenment, i.e. spiritual value or merit in all its forms, can be obtained. The more you give, the higher your spiritual status. Social status without spiritual status is frowned upon by those type of societies. This is why the religious institutions like the Church or the Sangha end up so much land and property themselves, as the gifting competition is relentless. At the

same time, these institutions serve as the welfare and social security mechanisms of their day, by ensuring that a part of that flow goes back to the poor and can be used in times of social emergencies.

It is still a little bit harder to argue in Asian than in the West, but the current era, despite the rapid industrialization and 'materialisation' of East Asia, is undergoing a fundamental shift to immateriality.

Material goods still need to be made, and Asia is furiously industrializing, but nevertheless, for the world system, important shifts have already happened, which are most readily visible in the West.

Here are just a few of the facts and arguments to illustrate my point for a shift towards once again a immaterial focus in our societies.

The cosmopolitan elite of capital has already transformed itself for a long time towards financial capital. In this form of activity, financial assets are moved constantly where returns are the highest, and this makes industrial activity a secondary activity. If we then look at the financial value of corporations, only a fraction of it is determined by the material assets of such corporation. The rest of the value, usually called good will, is in fact determined by the various immaterial assets of such corporation, it's expertise and collective intelligence, it's brand capital, the trust in the present and the future that it can generate.

The most prized material goods, such as say Nike shoes, show a similar quality, only 5% of its sales value is said to be determined by physical production costs, all the rest is the value imparted to it by the brand (both the cost to create it, and the surplus value created by the consumers themselves).

The shift towards a immaterial focus can also be shown sociologically, for example through the work of Paul Ray on cultural creatives, and of Ronald Inglehart on the profound shift to postmaterial values and aspirations.

For populations who have lived for more than one generation in broad material security, the value system shifts again to the pursuit of knowledge, cultural, intellectual and spiritual experience. Not all of them, not all the time, but more and more, and especially so for the cultural elite of 'cultural creatives' or what Richard Florida has called the Creative Class, which is also responsible for key value creation in cognitive capitalism.

One more economic argument could be mentioned in the context of cognitive capitalism. In this model of our economy, the current dominant model as far as value creation is concerned, the key surplus value is realized through the protection of intellectual properties. While Asia is still (mostly) engaged in producing cheap industrial goods (though it is changing fast), the dominant Western companies can sell goods at over 100 to 1,000 times their production value, through

state and WTO enforced intellectual rents. It is clearly the immaterial value of such assets that generate the economic streams, even though it requires creating fictitious scarcities through the legal apparatus.

However, it must be said, and we will develop that issue later, that this model is undermined through the emergence of distributed infrastructures for the production, distribution and consumption of immaterial and cultural goods, which makes such fictitious scarcity untenable in the long run. The immaterial value creation is indeed already leaking out of the market system.

### **The Second Argument: the nature of post-deconstructive trans-modernism Industrial society**

The Second Argument is the nature of post-deconstructive trans-modernism Industrial society. Its particular mental and cultural models, are clearly antagonistic to tradition. The old structures must go: religion is seen as superstition, community is seen as repressive of individuality, and tradition is seen as hampering the free progress of dynamic individuals. This makes modernism a very constructive force, for all the new it is capable of instituting in society, but also a very destructive force, at war with thousands of years of traditional values, lifestyles and social organization. It attempts to strip individuals of wholistic community, replacing it with disciplinary institutions, and commodity-based relations.

Then comes postmodernism, the cultural (but also structural as it is itself an expression of capitalist re-organization) reaction against modernity and modernism. Postmodernism is above all a deconstructive movement. Against all 'reification' and 'essentialisation', it relativises everything. No thing, no individual stands alone, we are all constituted of fragments that themselves are part of infinite fields. Through infinite play, the fragmented 'dividual' has at its disposal infinite constitutive elements that can be recombined in infinite ways. The positive side of it, is, that along with freeing us with fictitious fixed frameworks of belief and meaning, it also re-opens the gates of the past and of tradition. Everything that is usable, is re-usable, and the war against tradition ends, to make place for pragmatic re-appropriation.

But as the very name indicates, postmodernism can only be a first phase of critique and reaction against modernity and modernism, still very much beholden to it, if only in its reactivity to all things modern. It is deconstructive, a social regression of the ego that must receive ultimate therapeutic meaning if it is followed by a reconstructive phase. For postmodernism to have any ultimate positive meaning, it must be followed by a trans-formative, reconstructive phase. A trans-modernism if you like, which goes 'beyond' modernity and modernism.

We will come back to that crucial issue: what can follow post-modernism, and what kind of attitude towards tradition might this entail.

### **The Third Argument: the problematic nature of tradition**

Using or returning to a premodern spiritual tradition for transmodern inspiration is not a path that is without its problems or dangers, it can very easily become a reactionary pursuit, a fruitless attempt to go back to a golden age that has only existed in the imagination.

The core problem is that spiritual traditions all occurred within the context of exploitative economic and political systems. Though the exploitation was different, most traditional spirituality and its institutions developed in systems that were based on tribute, slavery, or serfdom. These systems usually combined a disenfranchised peasant population, a warrior or other ruling class, in which the traditional Church or Sangha played a crucial role for its social reproduction. Buddhism only became acceptable to the 'mainstream' society of its time when it accepted to exclude slaves. Despite its radical-democratic potential, it became infused with the feudal authority structure that mirrored the society of which it was a part. These spiritualities are therefore rife with patriarchy, sexism and other profoundly unequal views and treatments of human beings.

Though the logic was profoundly different from capitalism, these forms of exploitation, and their justification by particular religious or spiritual systems and institutions, should prove to be unacceptable to (post/trans-modern) consciousness.

Perhaps a symmetrical but equally problematic approach would be the pure eclecticism that can be the result of postmodern consciousness, in which isolated parts of any tradition are simply stolen and recombined without any serious understanding of the different frameworks.

Another problem we see is the following: contemporary communication technologies, and globalized trade and travel, and the unification of the world under capitalism, have created the promise for a great mixing of civilizations. Though contact and interchange was always a reality, it was slow, and its different civilisational spheres really did exist, which created profoundly different cultural realities and individual psychologies. To be a Christian or a Buddhist meant to have profoundly different orientations towards life and society (despite structural similarities in religious or spiritual organization). But a growing part of the human population, if not the whole part, is now profoundly exposed to the underlying values of the other civilisational spheres. Thailand for example, is just as much, if not more, beholden to global capitalist and consumerist values, which originated from a different civilisational sphere. But Eastern notions have similarly already profoundly impacted western consciousness. In this context, rootedness in one's culture and spiritual traditions can no longer be separated with a global cosmopolitan approach and a continuous dialogue with viewpoints and frameworks that originate elsewhere. Increasingly global affinity networks are becoming as important as local associations in influencing individuals and their identity-building.

With all this in mind, it would therefore seem important to have some kind of methodology, or methodologies that can allow some kind of critical and reconstructive appropriation of earlier insights.

#### **Fourth Argument: the road to differential post-industrial development**

I believe it would be fair to say that contemporary capitalism is a machine to create homogeneity worldwide, and that this is not necessarily an optimal thing. In its current format, which got a severe shock with the current financial meltdown, which combines globalization, neoliberalism and financialization, it is also an enormous apparatus of coercion. It undermines the survivability of local agriculture and creates an enormous flight to the cities; it destroys long-standing social forms such as the extended family, and severely undermines traditional culture. Of course, I do not want to imply that all change or transformation is negative, but rather stress that it takes away the freedom of many who would make different choices, such as those who would want to stay in a local village.

It is here that neotraditional approaches offer real hope and potential. Instead of the wholesale import of global habits and technologies, for which society has not been prepared and which is experienced as an alien graft, it offers an alternative road of choosing what to accept and what to reject, and to craft a locally adapted road to post-industrial development.

It reminds us of Gandhi's concept of Swadeshi and appropriate technology. He rejected both western high tech, which was not adapted to many local situations, but also unchanged local agrarian tradition and technology, which was hardly evolving. Instead, he advocated appropriate technology, a intermediary level of technology which started from the local situation, but took from modern science and technology the necessary knowledge to create new tools that were adapted to the local situation, yet offered increases in productivity.

I see neotraditional economics as a similar approach, but not limited to an attitude to technology selection, but to the totality of political and social choices. In this way, in harmony with local values, those aspects can be chosen, which increase the quality of livelihoods, but do not radically subvert chosen lifestyles and social forms. It represents a new approach which combines the high tech of globalized technical knowledge, with the high touch elements of local culture. For example, it becomes imaginable to conceive of local villages, adapting localized and small-scale manufacturing techniques based on the latest advances in miniaturization and flexibilisation of production technologies, and which are globally connected with global knowledge networks.

## **Fifth Argument: Adapting to Steady-State Economies in the Age of the Endangered Biosphere**

The essence of capitalism is infinite growth, making money with money and increasing capital. It does not take any genius to realize that an infinite growth system cannot infinitely perdure in a limited physical environment.

Today's global system combines a vision of pseudo-abundance, the mistaken vision that nature can provide endless inputs and is an infinite dump, with pseudo-scarcity, the artificial creation of scarcities in the fields of intellectual, cultural and scientific exchange, through exaggerated and ever increasing intellectual property rights, which hamper innovation and free cooperation.

To be sustainable, our emerging global human civilization and political economy needs to reverse those two principles. This means that we first of all need a steady-state economy, which can only grow to the degree it can recycle its input back to nature, so as not to further deplete the natural stock. And it requires a liberalization of the sharing and exchange of technical and scientific knowledge to global open innovation communities, so that the collective intelligence of the whole of humankind can be directed to the solving of complex problems.

The first transformation is closely linked to our contemporary monetary system and is linked with traditional conceptions of wealth in static agricultural societies.

Let me explain.

Traditional religions associated with agriculture-based societies and production systems, outlawed interest. There is a good reason for that: when someone extends a loan with interest, that interest does not exist, and the borrower has to find the money somewhere else. In other words, to pay back the interest, he has to impoverish somebody else. This of course, would be extremely socially destructive in a static society, and therefore, it could not be allowed to happen, which explains the religious injunction against interest.

However, in modern capitalist societies, a solution has been found: growth. As long as the pie is growing, the interest can be taken from the growing pie. The problem however, is that such a monetary system requires growth, infinite growth. Static businesses are an impossibility, since that would mean they cannot pay back the interest.

Now that we have reached the limits of the biosphere, now that we need again a steady-state economy, we need interest-free monetary systems, and paradoxically, the religious injunctions again make sense.

This is just one of the connections between the transmodern challenges, and the value of traditional, and religious systems rooted in the premodern era, such as Buddhist Economics.

We could take many other examples: for example, modern chemical agriculture destroys the quality of the land, and depletes it, so that here also, premodern traditional practices become interesting again.

However, as we stated in the third argument, and refined in the fourth argument: since tradition is also problematic, it cannot be simply copied, it can only be used in a critical manner.

An example of such a critical approach is the appropriate technology movement. In this approach, it is recognized that traditional technology as such is insufficient, that hypermodern technology is often inappropriate in more traditional settings, and that therefore, an intermediate practice is needed, that is both rooted in 'tradition', i.e. the reality of the local situation, but also in modernity, the creative use of technological solutions and reasoning, so as to create a new type of 'appropriate' technological development.

**Conclusion: Can the transmodern peer to peer ethos be mixed with neotraditional approaches?**

My own philosophical, societal and technical approach is called peer to peer theory. It starts from the premise that many humans want to be free to engage in actions and relations around common value creation, and that this desire has become enabled and empowered through the new affordances generated by the global distributed (computer) networks.

Thus we see the emergence of the capability of the creation of common value, through civil society based voluntary formations, i.e. peer production, but also peer governance, i.e. the ability to manage such associations, and peer property, the ability to protect the common value from private appropriation and subsequent enclosure.

These approaches have become hyperproductive, and out compete traditional for-profit and industrial era methodologies. It is emerging in every social field, and has created an emergent but already powerful social movement that coalesces around three paradigms: 1) open and free content, software, and designs, as the necessary input for free collaboration; 2) participatory governance and social design, which intends to lower the threshold of participation in such projects around the value of autonomy and diversity; and 3) commons-oriented output, which cannot be appropriated but serves to regenerate a new cycle of open and free input. Through this 'circulation of the common', a powerful mechanism is created, that guarantees the social reproduction and expansion of peer production.

As these communities, which are moving from knowledge and free and open source software to open design communities that can be linked to distributed manufacturing, grow and expand, we can see that they overturn both modern and even postmodern sensibilities. Hence, a new alliance becomes possible: that between the most technologically advanced open design communities, with the majority of the people that is still strongly linked to traditional practices. Through such an alliance, which combines the traditional injunction for a steady-state economy in harmony

with natural possibilities, a differentiated post-industrial future can be created, which can bypass the destructive practices of industrial-era modernism, and can create an 'appropriate technology' future, whereby more traditional communities can more freely decide what to adapt and what to reject. While on the other hand, transmodern open design communities can learn from the wisdom of traditional approaches.

Such an alliance needs an ideological vehicle, and I suggest that this is a road that Buddhist Economics should take, lest it become a reactionary force rooted in a unrealizable utopian vision of the past.