Book Review:


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David McCarthy’s book, Civil Endowment: the Transformation of Economic Power, suggests, by the title alone, that transformations are needed in the power dynamics pertaining to the management of the processes controlling business-level and national level economics. The level of economic power referred to in this text refers to those who actually have power over the economic processes in the nation, and how this power that they possess can be transformed to benefit everyone in society, but not at the micro-scale (an individual house). Before reading the text suitable for economics students and students within Buddhist Studies wanting to branch out into other academic genres, it should be stated that this book promotes the remanaging of profits or capital from economically-endowed (rich) people or corporations and giving back to society what was taken from civil-society. Certainly, Buddhists would determine this to be a form of generosity or giving – and such activity is considered to be meritorious.

McCarthy, then discusses three main principles in his text: capital, civil endowment, and compassion (sometimes discussed as generosity). I’ll discuss the text through these three terms by taking words from McCarthy to discuss important points from the book. In the process of constructing this review, nearly twelve pages of citations from the text were annotated, but rather than confuse readers with a lot of footnotes and page numbers, this review will just be a discussion of these three main points, thematically arranged. Again, these three highlighted main terms are: the remanagement of capital, creating civil endowments and the generation of systemic compassion, ideas that McCarthy uses throughout his text. The review is working within the language of McCarthy; and again these principles of capital, civil endowment and compassion - as mentioned towards transforming economic power, are the points for an interesting discussion.

Capital:

All of our economics-textbooks define capital. It is the primary tool that we use to progress in our lives, as we develop from children, into householders in our adult-lives. McCarthy begins by discussing the desire for structural innovations or transformations rather than tearing down the existing capitalist economic structure. The way we have lived our lives can change. We don’t have to be selfish individualists, but we can be more compassionate and generous towards others around us, in the society that we share. There is too much opposition to this idea amongst the people in power, who are only wanting and crating for themselves. Although he mentions that only a small amount of people (here, interpreted as meaning those who are well-off financially) would be willing to return to our low-tech agrarian ways (translation: a condition of poverty) or return as hunter-gatherers, the fact that the poorest people are becoming poorer: people in society need to take on this conceptual possibility as a conceivable reality, to prepare for the day when there is nothing left for the bottom-rungs of the social-ladder. The people in power are not willing to let their money go, are not willing to help those who cannot take care of
themselves – they are unable to return to a lesser-degree of materialism. The time will emerge when the capacity for being a materialist will be reduced, so rather than opposing the principle, humanity should work with this impending and obvious condition as the social-reality, as a species of animal populating the planet with other species.

Capital comprises the assets that people own, resources that can be exploited, and even the funds available in financial-accounts. When this capital is not being used, it could be transformed or transmitted towards people who can use it. It can be endowed or blessed for others to use productively. McCarthy then states that since capital is a mind-made creation, it shouldn’t be too hard to change our paradigms, transform our relationship towards our constructions or contrived/conditioned-ideas in new ways – anything can be revised. Capital, or more specifically, money sitting in the bank, could be used alternatively: creating capital flows into some civil endowment that has been agreed upon by the sector-specific location needing the financial assistance. McCarthy suggests, that through forms of tax-exemption schemes or as a replacement for tax, as a motivating incentive to give to any endowment: a civil endowment would be a worthy object for generating merit, through the generosity of potential donors.

Again, to reemphasize, McCarthy asserts: capital is a creation of the human mind and therefore, the idea of what capital is, can be changed. McCarthy states: if the human mind, working both socially and individually, creates capital, we can restructure or reform capital in the direction of the common good; not just capital, but also money is discussed – since it is a human-invention. As a social technology, says McCarthy, it is only instrumental in the economic process.

Economists, the people who tell us how we should be using our money, believe that economics is a rational science, but they never account or advocate for variations in the way humans react to circumstantial situations. Economics is the management of our household affairs, but it also extends to local government, corporations and national governments. Governments and corporations, and our places of employment, are trying to influence society through the special interests of the stakeholders and shareholders – the people with the money to influence decision-making processes. He writes on the existing theory of capital, contemplates on a pragmatic level as to what is needed and what is possible, and brings in Karl Marx, who viewed capital as arising from surplus value that is stolen from the workers. Capital arises from retained earnings (withheld wages from workers = company profits), being stolen. Generosity, though, can create civil capital – the psychological act of endowing it to the universal beneficiary – people benefiting or suffering from our past and present actions and anything residual from our policies affecting the future in which the beneficiary is living in as his/her current or present reality.

McCarthy uses the slogan: “Capitalism can’t be reformed, but capital can.” He mentions it’s easier to believe that the modern economy is an unmitigated disaster – but again, he wants to maintain the capitalist system despite the disasters it creates; but as we know this implies the world has been, in fact, meticulously planned – and there are planned-economies in the world that are operating sufficiently. Many nations have five-year-plans – Thailand is one of these nations operating through the structure put up by its National Economic and Social Development Board. The government is set up to ideally operate along ethical means, but sometimes officials become corrupt and are removed from office. Planned governments can be productive, as the recent example of Thailand is demonstrating.

Capital though, like a government or a policy, can be critically examined and as McCarthy states, it has three qualities: essence, nature, and manifestation. McCarthy here, actually utilizes some critical-thinking skills that can be emulated by our students:
take a term to analyze and scrutinize its essence, nature and manifestation. McCarthy states that capital is a creation of the human mind. Creating capital flows into some civil endowments, it could be that this may also be a form of tax-exemption or could replace tax, as an incentive to give to an endowment. Civil endowments are supposed to be worthy objects for the generosity of potential donors - and again McCarthy reminds us that capital is a creation of the human mind, so, any idea (capital) that we have created would be subjected to impermanence, or change. McCarthy states: if the human mind, working both socially and individually, creates capital, we can restructure or reform capital in the direction of the common good, rather than for selfish reasons. He reemphasizes that money itself is instrumental in the economic process as a representation for wealth used in trade or various other transactions, and it certainly is a human invention, as a social technology.

McCarthy asks us to consider what justice might look like when the concept or human right – according to some societies - is considered from the point of view of the manifestation, nature and essence of capital. In Theravada Buddhism, teachers express to students, as tools of critical thinking: scrutinize the characteristics, function, manifestation and proximate cause of a condition or object that is up for review. In terms of manifestation, McCarthy asserts that it is power: power is not just the ability to obtain wealth and productivity, but also to determine the very nature and course of investment – but it is only fair that everyone can get some of this power. Everyone should be factored into the structure and operation of the economy. In terms of the nature of the social construction of capital, it’s obvious that mandating the implementation of fairness and justice as social-policy would mean that everyone should have universal access to the benefits of capital. McCarthy continues to assert: economic institutions need to be structured to embody the goals of universal sufficiency and opportunity – examples can be taken from the royal-projects of Thailand’s King Bhumipol Adulyadej – and then channel profits or funds for investment towards the common good – the needs of society, perhaps using some of King Bhumipol’s ideas/inventions for the wellbeing of the people and future generations benefitting from these social-improvement endeavors.

According to McCarthy, economic conventions and structure of capital itself, are created by human decisions and actions, and reinforce that we can structure them in just ways. The essence then of capital is its spirit, and at the deepest level; the spirit of civil capital should be the compassionate, unbiased aspiration for the wellbeing of all humanity – the seeds for enacting justice reside here, and radiates its tangible nature in socially created forms, and its manifestations in beneficial power. McCarthy again redefines capital: qualitative features of capital are its casual features. Capital is causality – McCarthy here is utilizing a major Buddhist principle - because capital, in its outer manifestation is power, another socially constructed condition that enables productivity. Finally in essence, capital is the application of the human mind to the challenge of earning a livelihood – we bring this into the workplace. The civil capital idea is in a very real way an optimization of these general features of capital. Global capitalism as currently practiced, with its amoral quests for profits, but this is never a force for an open society.

McCarthy responds that the spirit of civil capital is likened towards capital that should be directed towards the common good, since in its very conception, civil capital is logical and intuitive in nature, and must possess unbiased compassion as the foundation of this spirit. We can see that the essence of capital is psychological, and the nature of its construction is social – it’s great that McCarthy reminds us of this fact. Capital, according to McCarthy, is oriented toward the present and future – although it has its controversial historical roots – which is generally the acquisition of profits from exploiting workers (withheld wages) or from exploiting the environment.
When we keep in mind the fact that capital also includes the historical legacy of shared intellectual and cultural knowledge that has been passed down to us from previous generations, we can then summarize types of psychological content that relates to capital in terms of four aspects: embedded knowledge, pervasive intention, operating plan, and foundational spirit. McCarthy states that the fact that capital arises from a confluence of political power, property relations, social conventions, customs, institutions, knowledge, and creative initiative—all of which develop over time in a given society—makes it somewhat hard to see that each and every one of these social facts has been created and instituted by the human mind. Ideas that are born from the mind can be redesigned and perfected. The whole notion that capital could be perfected—that capital could work in a fully compassionate way for the common good—is wonderful, but according to McCarthy, it is utterly impractical if there is no way for such capital to come into existence. Capital then, must be reformed or transformed.

McCarthy wants the foundational spirit of civil capital to equally address every human being as well as the society, at all times, towards the real implementation of justice and at the same time be a genuine demonstration of compassion. The argument from causality (relationship with Buddhist terminology) with regard to civil capital comes down to the point that it is designed in accordance with the very essence of the nature of human causality (do not neglect the Buddhist terminology). There could be capital for the common good and the indefinite future, possessing an ethical orientation: capital cannot be exploitative, extractive, or externalizing—these characteristics need to be minimized, according to McCarthy.

Therefore asks: what sort of innovations would make a difference in our world? McCarthy promotes the idea of a civil endowment system, where portioned-amounts of capital are invested and used to benefit humanity, as the civil beneficiary. The civil beneficiary protocol promotes long-term environmental and social-wellbeing, as well as universal opportunity and economic justice. This civil capital, according to McCarthy, is not our social/human capital but the unification of public/private capital. How this civil capital is used, needs reconsidering, as power-relationships are reconsidered. This civil capital should enable, maintain and structure productivity. As we can ascertain, McCarthy wants to transform capital to be something used meritoriously.

Civil Endowment:
This is the main concept of McCarthy’s book, the section that has transformative capabilities for how we should progress next, in our lives and messages. He discusses civil endowments, as a form of generosity, which should be given by benefactors or an organization (corporation) with the obvious intention to give back to society, and states that such gifts inspire the collective to utilize endowments in meaningful (unselfish) ways. He discusses the collection of small fees (by an agency responsible for doing it), also is a form of generosity (our release of a portion of our salary towards the fees dictated by the agency to disseminate in some productive way)–by extension is generosity; paying tax is generosity; but the fees would be collected from sympathetic donors. We have to change our paradigms to see these processes as beneficial. Creating a civil endowment is a gesture of generosity, but McCarthy wants civil endowments to be governed by social organizations, not a government agency or some business. As for the administration of the endowment, there are there categories that are discussed, more specifically by McCarthy:

• The platonic form of administration: McCarthy suggests that pension plans or wealth management practices are examples of this.
• The democratic form of administration: McCarthy suggests this may not be an ideal form because there may be too much tension over majority/minority issues/opinions. A sizeable minority of the people could lose and this can be unfair to that half with different ideas.

• The commons-style of governance: McCarthy suggests this form has been marginalized by capitalists so that they can create their own idealized or imagined civil-societies, and we know of the disasters that our current society faces, so the commons-style is a solution for moving forward in unity.

McCarthy reminds us that there are conscious social agreements and rules. Cultural pressure moves towards environmental sustainability and greater economic justice – even if the forces of reaction against these ideals are powerful. McCarthy asserts placing human and environmental values first will never become the dominant viewpoint; therefore, as a result of this bitter aspect of reality: there should be new economic systems to implement, and possibly a system that is inspired or guided by Buddhism - although it shouldn’t be called Buddhist Economics – so that sensitive people adhering to alternative socio-political guidance systems will be freed from complaints.

According to McCarthy, civil endowment theory does not depend on eliminating or changing the basic nature of individual self-interest, private property, the business firm, or the political process – again, he is supportive of the capitalist-society, instead he offers: civil endowment theory concerns itself with civil society-guidance and leadership and, most significantly, with civil society’s economic power. McCarthy tries to summarize the concern over the issue by asserting, what we have is: what it does versus what it can do. We need to think about what endowments can do for civil-society.

Civil endowments should be considered from the bottom up – from the lowest part of society or the base-issue towards whatever other levels for the middle-class. Every bit of wealth given into the civil endowment system is a de facto adjustment of wealth inequality, ideally - since it is endowed equally to all – but the burden is placed differently upon different classes of wealth. If this were simply static-wealth, the effect would not be impressive, and certainly not implemented in a timely manner – but the capital-input, the charge and change that the wealth can being – this capital is not static, and effects can be rendered quickly. By creating something that groups of people can use productively, civil capital – this begins a process or serves as a catalyst for an economic process which is designed to build wealth in a more egalitarian way – and be more effective towards those needed upliftment in the lower-classes of wealth misdistribution. Indeed, this is a useful attempt to adjust wealth inequality, it could only be done by taking (redefining this to be useful contributions towards endowments) wealth from the rich towards being used in a way that is considered to be more socially effective, without being a political power center – where people would owe an allegiance towards the one who assisted in their productive development. Civil endowments would then be seen as something that brings about universal economic justice: equality and fairness are in its very structure and intent.

McCarthy explains how systems would need to be set up so that common people become educated in the principles of a healthy economy in general and more specifically in civil investment – so that these educated people become active participants in the democratic process over economic-issues facing the community. McCarthy then moves forward to explain how to generate interest in the movement towards creating and implementing civil-endowments as a social norm. McCarthy envisions three major phases namely: the symbolic, catalytic, and structural phases, which describe the potential process of development and transformation of the system.
• In the symbolic phase, the main benefit is in the communication of the very possibility of civil endowment, and in the establishment of the necessary institutions for its operation.

• In the next catalytic phase, civil endowment gains very real economic power, and is able to leverage various tipping points and gain substantial support.

• Finally, in the structural phase, it takes its place in a large scale way as a foundation of a healthy world economy. The symbolic phase starts from zero, in the first act of giving to an endowment.

**Generosity & Compassion:**

McCarthy goes easy on the Buddhist terminology. This text is not a book written for Buddhist scholars, it is obviously a text on economics – the management of the affairs of our houses, neighborhoods, counties/districts, states, nation or region. The text is about how to manage a large amount of funds that have been injected into the community for use within the community, to develop the community in a better way. From the generous act of the donor, we can see how we establish the principle of interdependence – an important Buddhist teaching, applicable anywhere, in any society. The principle of compassion abounds and underlies this capital-management system. McCarthy states that compassion is the background or root to operational attitudes and motivations. There should be socially responsible investing. McCarthy then moves onward to discuss six important virtues: generosity, ethics, non-aggression, diligence, focus, and wisdom – these constitute a general economics of compassion, through being fully stabilized in our hearts and minds towards the generation of true-wisdom.

Wisdom is compassion, states McCarthy. Compassion should be the guiding principle in economics. Wisdom is inseparable from compassion. McCarthy goes on to state: compassion means wishing that other people will not have suffering; so our wisdom must discern what is true and right, so that our insight liberates people from induced pain. Thailand’s Buddhadasa Bhikkhu had written extensively on the idea of Dhammic Socialism, containing the principle that the dictator is rather benevolent and acts on the interests of the people and presses ahead with the initiatives that are best (determined through public discourse, not at the whim of the leader) for the nation’s development, according to the various treaties and other alliances that the nation has made. A current example of a benevolent leader is the current Prime Minister of the Kingdom of Thailand, General Prayuth Chan-Ocha. The nation was nearing a violent civil war and politics were wreaking havoc – civil activities were stalled, the corrupt ruling regime was ineffective. The General, supported by the armed-forces, stepped in to preserve the dignity of the nation, and to press ahead, to guide the nation from out of the quagmire and strife. Thailand has reached high levels of national happiness under the leadership of General Prayuth Chan-Ocha. This is all mentioned not as participation within a cult of personality, but rather all of the evidence is in: all of his speeches are on Youtube¹, and when these are examined – no one can miss the way he lays out the direction of the government and is keen to also demonstrate the results of the suggestions. Feedback from the people, the citizens, is often encouraged. The people who complain the most towards the system are those that are not participating, and they feel left out and complain, senselessly. It’s easy to submit the suggestions though the official channels set up by the government. The great thing about having General Prayuth in power is that he is not from some political party, and he has no self-interest in politics, but is working in accordance to national principles – to serve the Nation, Monarchy, Religions and People of the nation. Benevolent rulers

¹ [https://www.youtube.com/user/THNewswire/videos](https://www.youtube.com/user/THNewswire/videos) - the weekly speeches have English-language subtitles.
can exist, and can rule by dhammic-principles, effectively. McCarthy though remains adamant: Socialist appropriation, as the evidence of history shows, demonstrates how economic administration based on centralized governmental authority is fundamentally flawed. The fact that such ownership is morally tainted. This is an opinion based on old paradigms. A social-system can be in operation, that is not governed by elected political parties, so a Western-style democracy should again, not be idealized. Paradigms, again, need revisited and reconsidered for alternative and more productive endeavors that benefit society. McCarthy emphasizes four immeasurable principles that everyone must remember:

- All beings have happiness – we should cognize this as well as the causes of happiness
- All beings cognize the desire for their freedom from suffering and causes of suffering
- All beings cognize variations of higher forms of joy associated with the spiritual path.
- All beings cognize profound (thus: compassionate) equanimity associated with wisdom

**In Conclusion:**

How are we using our money? How are we using our capital? Are we developing our resources productively? Are we creating new resources? Are we taking care of future generations or are we just taking care of ourselves? We can ask myriad of questions, and present numerous scenarios. For our international students of Buddhist Studies, this book would figure well into our economics curriculum. If there is a professor stuck in the capitalist mindset, or if there is a professor utilizing the higher principles of socialism – regardless of the ideological-conditioning, this book speaks towards these camps. McCarthy has numerous other ideas in his text that deserve our dear attention, but this review is long enough.

The three main principles that are ascertained from this economics-text pertain towards reinterpreting capital, creating civil-endowments, and generating and operating with more compassion – for the benefit of all or at the very least, the many. In Buddhist studies, we are interested in solving our encounters acutely (critically), to determine the real nature of the phenomena that we are examining, towards that aim, a chart was devised by the reviewer to assist students who wish to consider the matter more deeply – and therefore, towards furthering those aims:

| Using Buddhist Critical Thinking Skills to Solve McCarthy’s Civil Endowment Possibilities: |
|-------------------------------------|---------|--------|------------|--------------|
| **CRITERIA:** | Characteristics | Function | Manifestation | Proximate Cause |
| Capital |             |         |             |               |
| Civil Endowment |         |         |             |               |
| Generosity |         |         |             |               |

To explain the chart, which would be filled out at length, by a researching student:

- What is the characteristic, function, manifestation, proximate cause – of capital?
- What is the characteristic, function, manifestation, proximate cause – of civil endowments?
- What is the characteristic, function, manifestation, proximate cause – of generosity?

Students would need to take up this research, and extend what McCarthy is propagating and offering humanity. In a large sense, a civil-endowment is the same as a corporate responsibility demonstrated through generosity – or in Buddhist terms, the giving of dana,
which is an act of merit. The gift, the civil-endowment can remedy the unmindful intentions (poor tactics?) of corporations that endeavor to strip the world of its resources, or to remedy the exploitation of the work of others. Capitalists are considered to be criminal masterminds possessing tremendous skill, plan meticulously, and have great personal discipline – but none of this is the required diligence towards building a better society and leaving behind a better society. Civil-endowments may be seen as a form of large-scale public apology, but are not meant to be seen as something pathetic – so some measure of anonymously given allotment (the endowment) is given compassionately. Demonstrations of compassion is wisdom.

Wisdom at the basic level is inherent in the basic awareness that we all possess, and bringing seeds of wisdom to maturity is necessary for clearing away our confusion and cultivating our awareness of how things really are. Civil-endowments are not something to satiate our losses nor do they serve to remedy the torment created by irresponsible corporate practices – but people do need better conditions for managing their affairs more effectively, and through practicing: generosity, ethics, non-aggression, diligence, and focusing – greater social balance can be attained.

McCarthy emphasizes that this text is about the progression of post-materialism, and the idea of co-centricity, that he discusses at some length, in the text. He wants the sharing of mutual economic-centers – people and corporations – socialism for capitalists? McCarthy states that the sharing of economic-centers, or co-centricity, is a concept that points towards a whole array of meanings. To closely define the term, he suggests cocentric economics is the term that best describes his body of work, which stresses economic justice, sufficiency and opportunity for everyone. Co-centric wisdom is to think in terms of whole systems.

McCarthy admonishes us to remember that we should not be retaining and operating in the primitive conventional economics and neoclassical economics from the 18th-19th century sciences. McCarthy professes: the intellectual roots of economics in 18th century scientific thinking was a way of thinking that led to the reduction of the function of an economy to the mechanistic operation of a set of quasi-independent entities with very simplified motivations. Therefore, McCarthy opines: we have to make progressions in how we manage capital, through the creation and operating generous civil-endowments. McCarthy teaches and reminds us that we all must learn to work not for his or her self, family or nation, but for the benefit of all of humanity - universal responsibility is key to our survival as a species, and serves as the best foundation for world peace. He uses the example taken from anyone familiar with agriculture: in the germination and growth of a plant, we can point to the seed as a primary cause, but the germination process will not take place without the enabling conditions of soil, water, and sunlight that serve as catalyst for growth. In an era when our governments and corporations are not doing enough for society, civil-endowments are a viable solution that we can endorse in our university-courses on economics for our students in Buddhist studies, who will eventually leave the campus, taking their knowledge out into the society where they later develop into wise leaders.