

Philosophy versus Psychology: Embodied Realism, Money and the Economy of Being

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Questions

What is **economic science**?

Human Science or Physical Science?


What should its **methodology** be?

Interpretive and Historical or “Natural” Empirical-Materialistic?

Economics is not a “natural” empirical-materialist science, it is a human science and therefore, its methodology of investigation SHOULD NOT BE that of physical science, which unfortunately is how professional and layperson think of it today.

A physics approach to economics leads to a complete mis-understanding of money and other economic institutions and processes.

All economic institutions are created in language (through deliberation) and are real only because we have agreed to live according to their rules of use.

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1. Metaphysics of the Real
 2. Institutional Reality
 3. Theoretical and Practical Knowledge
 4. Language, Psychology & the Human Sciences
 5. Psychology and Economic Institutions



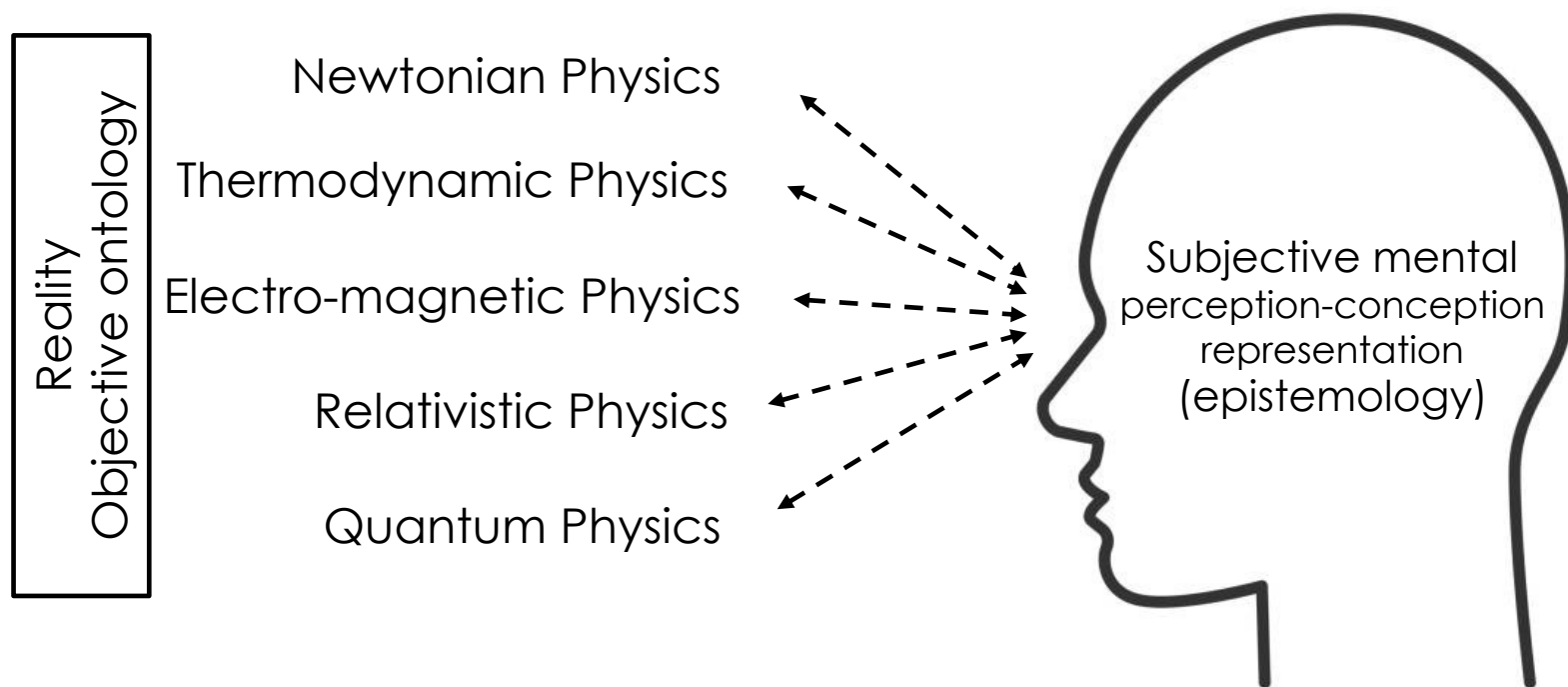
Reality = what is there independent of our beliefs and representations about it.

Hint: what is “there” is not exclusively physical

- All things that physically exist are real
- But some things can be real without existing
(e.g. social facts: football games, friendships, laws of society, human expressions in symbols of the laws of nature, marriages, property, money, etc.)
- Reality is not exhausted by physical existence

Humans represent reality under different aspects (aka paradigms)

1. Each aspect has its own set of objects (ontology) which
2. generates its own kind of knowledge (epistemology)



Impossible to have a consistent epistemological "mirror" of complete ontological nature

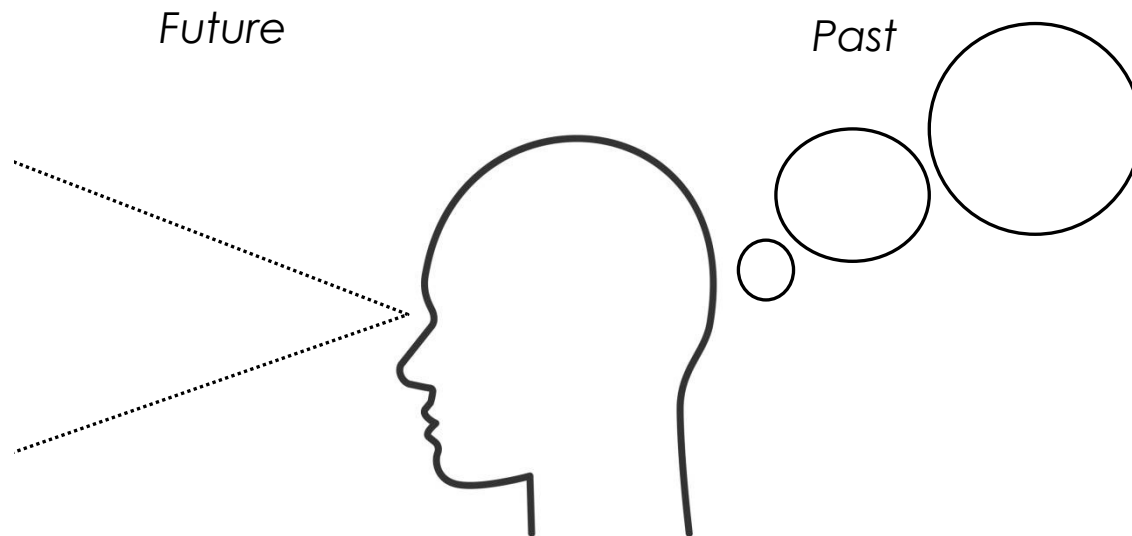
i.e. impossible to make an exact representation-to-world isomorphism

... why? ...

... Knowledge presumes agency of the knower

There is a temporal dimension to knowledge.

It arises because we are always looking ahead to the future to know what next to do (to accomplish some purpose) and this is based on past experience.



The “pragmatic maxim”

and its connection between our reality and our beliefs,
i.e. our knowledge about reality

The meaning of thought is in its consequences for action

Knowledge is the beginning of action, action is the completion of knowledge

Beliefs are not mental states, they are dispositions to behave.

The meaning of a thought is nothing other than its imaginable external effects

An object's conceivable effects are the whole of our knowledge of the object

The only real significance of a general term lies in the general behavior which it implies

Judgements about reality are true if and only if they would be vindicated by the objective course of future events.

The direct experience of an object, the examination of its function, practical consequences, and the use we make of it reveals its meaning

To understand a thing, to get its meaning, one has to grasp the pattern of those activities or possibilities into which the thing is typically involved and into which one is led when using the thing”

Conceptions are meaningful only if they have experiential content.

My favorite version....

**GOOD JUDGEMENT COMES
FROM EXPERIENCE.**



**AND EXPERIENCE? WELL THAT COMES
FROM POOR JUDGEMENT.**

The false dichotomy of absolutely separate realms of Objectivity and Subjectivity, aka, Idealism versus Materialism, Mind versus Body

Ideation and material factors both inform (“cause”) action. Human action is both at once. Human self understandings are the essential condition of the practice to make sense to the participants of the practice.

Knowing and being are one!

<i>Reality Test</i>		T/F	<i>Teacher's comments</i>
	Which of the following are true?		
	I think, therefore I am	F	<i>Bad</i>
	I am, therefore I think	T	<i>Better</i>
	The mode of living that I take, makes for the kind of thoughts and thinking that I have	T	<i>Best!!</i>

Dichotomies that trouble philosophers ... and how to overcome them

Subject	Object
Mind	Body
Idealism	Materialism
Epistemology	Ontology
Reason	Empiricism – what comes to our senses from reality
Knowledge thru Representation, including “nominalism”	Reality only; physical & ontological objectivity
Metaphorical: ambiguous, over- and under-determined, indeterminate	Literal: one-to-one, isomorphism between representation & object
Understanding, meaning, truth	Reality only physical & ontological objectivity

Idealists = only left side is real

Materialists = only right side is real

Metaphysical realists = both sides together are real

Embodied realists = both sides are real and all conceptualization & thought is ultimately metaphorical, based on pragmatic maxim i.e. What our sensori-motor bodies can perceive and do in one situation is understood & conceived in terms of another domain of experience.

Two flavors of reality to the individual

Scientific “objective” truth implies a community of investigators communicating with each other using a common language i.e. a shared background of meanings whose definitions and conceptualizations can be modified and adjusted through dialogue.



But one's own experience of reality (i.e. one's life experience and inner meaningfulness) is generally inadequate to determine such a high standard of “objectivity”
i.e. representation-to-world isomorphism.

Thus, there are two flavors of reality:

1. Intersubjective “consensus” reality that a community of inquirers through **deliberation** have made epistemologically objective for certain purposes and
2. The individual's subjective experience with only a *relative* degree of intellectual “subject-object” **reflectivity**

Institutional Reality

Our institutional reality – money, property, corporations, government bodies, laws and justice system, even athletic games, social “things” such as parties, teaching institutions, Zoom presentations, marriages, etc. – is not discovered as in physical-science inquiry. It is **made by humans using** language by simple **verbal declaration**.

We declare things to exist, then we act accordingly – as if they existed.

This is **the reverse of the scientific method**.

Thus, institutions have this odd phenomenology: they are real, but they are real only because the community agrees that they are real.

Institutions and all social facts are **not intrinsically physical**. They may have physical correlates, but these are not essential to what they are.

They are epistemologically objective but ontologically subjective.

Each individual “sees” the institution only because they have learned to see it.

Theoretical Scientific Knowledge

...is only one kind of knowledge. Another kind is:

Practical Knowledge

“Thinking Slow and Thinking Fast”

A more “primordial” kind of knowledge than science is to be able to take intelligent action in the moment, especially in social situations, critical physical activities, acting in technical environments.... It comes from behaviors, knowledge, habits of thought that you learn from your circle of friends, family, society and culture and that you apply as if “instinctually”.

Practical knowledge is what Aristotle (and Adam Smith) called **prudence** (phronesis). It is based on one’s personal meaning and sense of “truth”, which may be false and require “hard knocks” before finding truth.

Since the 17th century, the era of the emergence of science in the West, modern people have adopted **scientism** – the mistaken belief that there is only one kind of knowledge and it is science.

Physical nature versus human nature

- While "classic" science is good for studying physical nature, it is inadequate for studying human nature.
- The reason is this: we have no sensory input of another person's **inner life**, but we know they have one because we have one too. We must rely on empathy and communication to understand another.
- At the height of the scientific revolution of the 17th and 18th centuries, this new direction of human inquiry antithetical to Descartes and Kant took hold.
- It was the beginning of the recognition of language as an "object that objectifies" and the "new science" of psychology, human sciences and social institutions

Psychology

Reflection is the only way to look inside a person including oneself. Anthropomorphism is the principle of psychology. Understanding of another is based on one's own self understanding.

Psychology begins in **reflection** -- James Hillman

Philosophy seeks general understandings of "the mind".
Psychology seeks to know the "self" and "inner life" of the person.

Our internal life is endlessly deep (Heraclitus).

Psyche Logos (psychology) is the speech of the soul.

Soul is a perspective rather than a substance, a viewpoint toward things rather than a thing itself. It is that unknown component which makes meaning possible, turns events into experiences, is communicated in love, and has a religious concern. -- James Hillman

Psychology (continued)

Soul is the individual's meaningfulness and as such is a **mid level** between the absolute truths of science and theology and the solipsism and skepticism (that the external world is real) of the individual.

Even laws of nature discovered by science are beliefs. The universe is probable not strictly deterministic. The next moment is a field of conditional probabilities – indeed, radically uncertain. Multiple perspectives (paradigms aspects) about the same reality are true.

There is no “objectivity”. There is only “intersubjectivity” (which can be continually refined and paradigm changed) and individual “subjectivity” (which can be unrealistic; delusional). The universe is open.

Science is only how humans interpret aspects of reality and infer beliefs about them, subject to future revision or transcendence to more inclusive theories.

All knowingness is fantasy of the imagination.

"Truths are the fictions of the rational while fictions are the truths of the imaginal" James Hillman

Language

The emergence of **language gave rise to the individual** subject. And it gave rise to reflection and, thereby freedom from basic instinctive compulsion to act.

Furthermore, it gave rise to community coordination and the knowledge of a shared reality.

Thinking is different from consciousness. To think about something is to not think about everything else. Thus, there is an unconsciousness, a background.

Language is a tool for thinking. Language does more than simply indicate, designate, refer to, or describe reality. It constitutes it as well. We declare things to exist, then we act accordingly. It also allows the individual to reflect on him- or her-self.

We take on the beliefs, rules and language of the culture we are born into. Through these we understand our reality and who we are individually. As we live and learn, we experience “truth events” about reality and ourselves a.k.a. “truth events” “insights” “epiphanies” “a-ha moments” “intuitions”.

These are not simply epistemological. They are ontological as well. We are changed in our constitution when we learn new things. We are different people than before. Subject and object mutually define and interpenetrate (Piaget).

Learning, to the individual as well as the society, happens in events -- history.

Knowing and being are one

This is the metaphysical and embodied realism found in:

- **Existential philosophy** (York, Heidegger, Gadamer, ...)
- **Archetypal psychology** (Freud, Jung, Weber, Hillman ...)
- Second generation **cognitive psychology** (Peirce, James, Dewey, Merleau-Ponty, Piaget, Lakoff & Johnson...)

Implications

As I said in an earlier talk:

We have not only an economic crisis, we have a crisis in economics.

Reason for this:

Today, economics uses the wrong methodology.

It is trying to apply natural science empirical methodology to social phenomena that is essentially self-interpretive and historical.

- This prevents us from understanding how it is that the manner in which we set up our economic institutions (money, property, commercial law, industrial policy, etc.) makes a difference in the outcomes of our economic actions.
- We are wedded to “neo liberalism” which is a shallow false view of human psychology: namely that we are absolutely separate individuals, “there is no such thing as society” (Thatcher, Hayek), that government & law are unnatural and restrictive to our individual right to free action, and that we are nothing but hedonistic pleasure seekers strategically using others for our own personal gratification.

Concluding Aphorisms

“The attempt to disavow reflection is the root of positivism.”

- Jurgen Habermas, 1971

“Few philosophical movements can have had anything as great an influence on the mainstream economics profession as that of logical positivism from the 1930s until quite recently.”

– Hilary Putnam, 2012

“Instead of *having* a market economy we simply *are* a market society”

– Michael Sandel, 2012

“Psychology begins in reflection.”

-- James Hillman, 1975

“Reflection is endlessly deep.”

-- Heraclitus, ~500 BCE




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In the evolution of intelligent life, the appearance of a subject happens when deterministic causes are superceded by mental reasons.

Aristotelian causation has four types:

Material, Efficient (necessity)
Formal, Final (reason)

Classic Dualistic Material Scientists

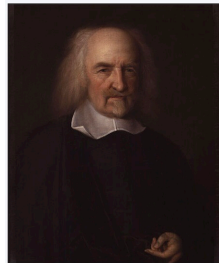
René Descartes



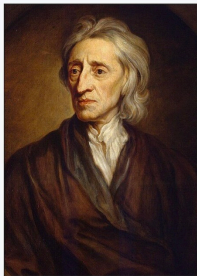
The Viscount St Alban
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Thomas Hobbes



John Locke



Immanuel Kant



Realistic Human Scientists

Giambattista Vico



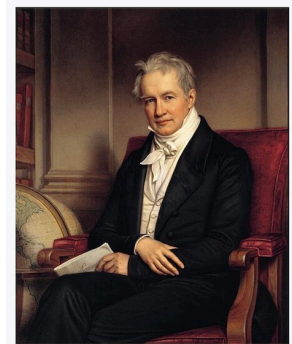
Johann Gottfried Herder



Johann Wolfgang von Goethe



Alexander von Humboldt



Søren Kierkegaard

