



# Market Systems and Buddhist Philosophy: A Holistic Approach to Economic Development

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## Abstract

*This study integrates early Buddhist notions, mainly Dependent Origination (Pratītyasamutpāda) and Hetu Pratyaya (particular conditionality), to present an interdisciplinary, holistic paradigm for Market Systems Development (MSD). Traditional market analysis frequently prioritizes technical or economic issues over ethical and relational aspects. This study connects philosophical ideas with development practice by utilizing two empirical case studies (Ethiopia's Feed the Future-MSD and Mozambique's REDI) as well as doctrinal analysis of important Buddhist texts. The fundamental components of MSD, market exchanges, supporting roles, and unwritten laws and conventions are reinterpreted through the operationalization of Buddhist concepts like clinging, impermanence, and Kamma (ethical causation). We find flaws in the dominant MSD frameworks, such as a propensity to emphasize proximate limitations, inadequate feedback analysis, and a deficiency of ethical measures, by applying qualitative coding and systems thinking. The essay illustrates how Buddhist ideas highlight structural interdependencies and encourage morally sound, flexible solutions. The end product is an integrative market facilitation roadmap that incorporates relational accountability, mindfulness, and non-harm into growth tactics. By redefining market participants as co-arising, interdependent agents, this method not only improves analytical depth but also promotes inclusive, long-lasting change. The study positions spiritual ideas as useful instruments in intricate market systems, which advances both development theory and the nascent area of Buddhist economics.*

**Keywords:** *dependent origination, market systems development (MSD), Buddhist economics, systems thinking, ethical market interventions, sustainable development.*

## **Introduction**

The performance of the market system is a key factor in determining the welfare of the world's poorest people due to rapid structural changes, including digitization, climatic shocks, and growing inequality (World Bank, 2022). As a systemic, pro-poor substitute for project-centric aid, the Market Systems Development (MSD) approach has been proposed since the 1990s (Albu & Griffith, 2006). Although field research reveals enduring blind spots in equity, monitoring, and the exercise of power, MSD acknowledges that markets are complex adaptive systems where businesses, customers, regulators, and informal norms interact (Tribe, 2017).

We contend that two fundamental ideas in Buddhist philosophy, Hetu Pratyaya (the causal nexus of conditions) and Dependent Origination (Pratītyasamutpāda), provide a normative and analytical framework that can bridge these gaps. Hetu Pratyaya offers a causal map for tracking the systemic effects of micro-level changes, whereas Dependent Origination emphasizes the contingency, interconnected nature of all market actors (Gombrich, 2009) (Harvey, 2013). When these concepts are combined with MSD, a framework is produced that is (1) morally based on compassion and non-harm, (2) methodologically aware of feedback loops and unexpected effects, and (3) practically focused on inclusive, sustainable growth.

Therefore, this paper (a) critically examines MSD's track record on power asymmetries, equity, and monitoring; (b) operationalizes Hetu Pratyaya and Dependent Origination for market-system analysis; and (c) offers an integrative roadmap that policymakers and development practitioners can use to create interventions that are ethically reflexive, equitable, and effective all at once.

## **Methodology**

This study used a two-phase, qualitative design. In the first phase, Pratītyasamutpāda (Dependent Origination) and Anitya (Impermanence) were operationalized through an interpretive analysis of Pāli and Sanskrit canonical texts. Three important suttas, Mahānidāna (DN 15), Paṭṭhāna (Vin V 1.60), and Anattalakkhaṇa (SN 22.59), were inductively coded to glean ethical and causal insights into market behavior. Phase 2 examined two MSD programs: Ethiopia's Feed the Future–MSD component (2016–2023) and Mozambique's REDI (2014–2021) using an embedded single-case study technique (Yazan, 2015). Program reports, market system maps, and 28 stakeholder interviews were among the data sources. Triangulation with Buddhist concepts was made easier by pattern-matching and NVivo 14 coding, producing a cross-disciplinary synthesis (Yin, 2018).

The research is restricted to Market Systems Development (MSD) initiatives in low- and lower-middle-income nations; high-income market environments are not included. With little reliance on later Mahāyāna texts or secular mindfulness frameworks, its epistemological extent is rooted in early Buddhist literature. In terms of methodology, the study does not include quantitative impact indicators; instead, it only uses qualitative data. Instead of using doctrinal terms like "karmic conditionality," neutral language like "causal interdependence" is utilized to overcome possible pushback from secular development stakeholders who are not familiar with Buddhist terminology.

Three fundamental Buddhist concepts are applied to the systemic levels of Market Systems Development (MSD) by the conceptual framework, according to Springer-Heinze (2019). Rejecting the idea of separate outcomes, Pratītyasamutpāda (Dependent Origination) shows that market transactions are interdependent and affected by many factors at the core market level. By examining supporting functions including information, finance, and skills through Hetu Pratyaya (causal circumstances), the main enabling components needed for inclusive growth are highlighted. At the level of laws and conventions, Kamma-Vipāka (ethical causation) highlights the necessity of fostering moral principles that deter greed-driven exploitation. The creation of context-sensitive, feedback-rich solutions is supported by this Buddhist-informed lens, which also helps uncover unequal power dynamics like buyer-driven value chains.

The foundation of early Buddhist soteriology was the doctrine of Dependent Origination (Pratītyasamutpāda), which denies the existence of a fundamental, independent self by stating that things only develop in dependence upon earlier causes and conditions (Gombrich, 2009). By mapping twelve Nidānas that connect ignorance (Avijjā) to cyclical suffering (dukkha), canonical sources like the Paṭṭhāna (Vibh-a 138–142) and the Kammavibhaṅga (AN 3.43) highlight the moral and causal nature of all human activity (Bodhi, 2000). This understanding is translated into systems terminology by contemporary scholarship, which holds that market actors are made up of dynamic, co-arising networks and are "empty" of separate existence, much like sentient humans (Jones, 2016). Market equilibria are temporary configurations rather than permanent endings, as Impermanence (Anicca) further warns (Harvey, 2013). When combined, these concepts offer a non-Western epistemology for examining power imbalances, feedback loops, and emergent results in development initiatives.

The literature on Ethiopia's Feed the Future–MSD component (USAID, 2022) and Mozambique's REDI program (World Bank, 2021) is regarded as secondary qualitative evidence rather than fresh primary data. In order to (a) identify MSD deficiencies in equality and power dynamics and (b) determine whether Buddhist causal analytics (Dependent

Origination and Impermanence) reveal hitherto unnoticed leverage points, peer-reviewed assessments, monitoring reports, and grey literature are categorized thematically.

### **Theory of Dependent Origination: A Systems-Philosophical Account**

According to Ñāṇamoli and Bodhi (1995), the central tenet of early Buddhism is Pratītyasamutpāda (Dependent Origination), which explains how phenomena are "dependently co-arisen" (Paticca-samuppanna) and hence lack intrinsic, independent existence. In order to firmly establish the cycle of birth, aging, and death (samsara), canonical sources, particularly the Mahānidāna Sutta (DN 15) and Paṭṭhāna (Vibh-a 138–142), outline twelve Nidānas that causally connect ignorance (Avijjā) to the emergence of volitional formations (Saṅkhāra), consciousness (Viññāṇa), and subsequent dukkha (Gombrich, 2009). By reversing this chain and cultivating wisdom (Paññā) and ethical behavior (Sīla), which cut off ignorance and yearning (Taṇhā), one can attain liberation (Nibbāna) (Harvey, 2013).

From an ontological perspective, Dependent Origination highlights two interconnected qualities and denies the existence of a permanent, independent self (Anattā):

1. Anica (impermanence): every compounded phenomenon is always changing.
2. Interconnectedness: modifications to one causal web node inevitably have an impact on the system as a whole (Jones, 2016).

According to Capra and Luisi (2014), the doctrine's epistemological application results in a non-linear, feedback-oriented model of causality, which is exactly the kind of lens needed to comprehend market systems as dynamic, adaptive, and morally complex ecologies as opposed to mechanical equilibrium constructs.

The universality of the Law of Cause and Effect is reiterated in modern Mahāyāna phrases, such as the formula "Myōhō Renge Kyō" from the Lotus Sūtra, which invite practitioners to align intention with systemic awareness (Stone, 2003). The realization that every volitional act (Kamma) seed future conditions is symbolically reenacted by chanting "Nam Myōhō Renge Kyō," which is largely soteriological in nature but also a heuristic that can be applied to the design of market interventions.

## **Market Systems Development (MSD) Theory**

### **Historical Evolution**

Porter's (1980) competitive-diamond structure, Drucker's (1958) focus on entrepreneurial ecosystems, and Galbraith's (1952) early criticisms of market failure provide the intellectual foundation of MSD. These concepts came together in the 1970s to establish a fledgling "markets for the poor" agenda, which aimed to address the lack of coordination and information limiting low-income producers. When the Making Markets Work for the Poor (M4P) program was introduced by the U.K. Department for International Development in the 1990s, it marked a paradigm shift by showing that targeted facilitation, as opposed to direct delivery, could use private-sector competition to increase access and income (Albu & Griffith, 2006). Based on this data, international programs like Markets for the Poor (Tribe, 2017) and Feed the Future (USAID, 2022) mainstreamed MSD as a key tool for inclusive growth.

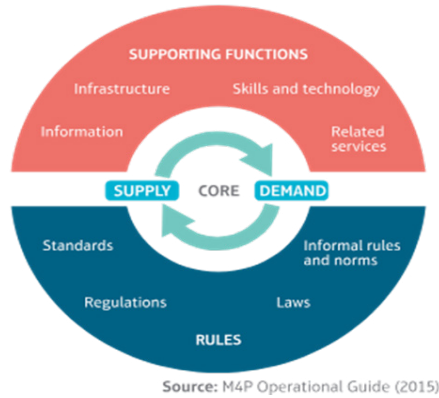
### **Core Principles and Analytical Architecture**

According to Beisland and Mersland (2019), MSD views markets as dynamic, multi-layered systems where key transactions are enmeshed inside supporting functions (finance, information, skills) and regulations (laws, norms, and standards). Participatory market-system diagnostics map out systemic dysfunctions, such as information asymmetries, narrow competition, and exclusionary norms, and pinpoint leverage points for catalytic intervention (Springer-Heinze, 2019). Large-scale, time-bound, and facilitative interventions are intended to change the system to a new, self-sustaining balance that disproportionately helps the poor.

### **Critical Appraisal**

Despite the fact that MSD has produced quantifiable increases in market participation and output, assessments show enduring disparities in power, equity, and monitoring (Tribe, 2017). These flaws serve as a starting point for incorporating the Buddhist ideas of Hetu Pratyaya and Dependent Origination, providing a normative and causal lens that strengthens the systems perspective while emphasizing relational and ethical issues.

Understanding the market system, recognizing restrictions, creating interventions, carrying them out and keeping an eye on them, learning, and changing are all steps in the MSD chain. The map below illustrates this:



**Picture-1**

*Pratītyasamutpāda in Market-System Development*

### Philosophical Translation

An alternative ontological starting point for market-system analysts is provided by the Buddhist insight known as *Pratītyasamutpāda*, which holds that all phenomena develop in dependence upon many, constantly changing causes and conditions. It presents consumers, businesses, and regulators as mutually constitutive nodes in a dynamic causal web rather than as atomistic agents (Gombrich, 2009). Additionally, impermanence (*Anicca*) suggests that market equilibria are temporary arrangements; a shift in policy, technology, or cultural norms will unavoidably ripple through the system as a whole (Jones, 2016). According to this perspective, changes in regulations, consumer preferences, and technical advancements are co-arising events rather than exogenous shocks, and the consequences of these events may be tracked using *Hetu Pratyaya*, or the principle of specific conditionality (Harvey, 2013).

### Operationalizing the Lens in MSD

Three systemic layers core transactions, supporting functions, and rules/norms are already mapped by traditional MSD diagnostics (Springer-Heinze, 2019). This mapping is expanded in four ways by integrating dependent origination:

**Depth of Root Cause:** Analysts question if preceding conditions information asymmetries, power inequalities, or cultural narrative sustain the limitation rather than focusing only on proximate constraints (such as "lack of finance"). (Tribe, 2017).

**Interconnected Feedback:** Reinforcing cycles are shown by causal-loop diagrams based on the twelve *nidānas*: poor farmer income → decreased investment → low yields →

ongoing poverty. Therefore, in order to prevent displacement effects, interventions must target numerous nodes at once (Duncan & Williams, 2019).

**Reflection on Ethics:** Understanding that every action creates conditions for the future reframes impact measures to include relational well-being and non-harm in addition to income gains (Wogaman, 2020).

**Recognize cycles:** Market development involves repetitive cycles of emergence, stabilization, and disintegration rather than linear progression. The Buddhist understanding that clinging to fixed results prolongs suffering is reflected in adaptive management cycles (Capra & Luisi, 2014).

### **Gap Analysis: Where MSD Overlooks Pratītyasamutpāda**

**Root Cause Blindness:** Pratītyasamutpāda links proximal gaps (like "lack of credit") to upstream, interlocking factors (power, norms, history), while MSD focuses on proximate gaps.

**Feedback Neglect:** Pratītyasamutpāda reveals circular causality, in which every action has an impact on the entire system, whereas MSD views actors as separate entities.

**Ethical Vacuum:** Pratītyasamutpāda incorporates relational dignity and non-harm as non-negotiable success standards, while MSD measurements end at income or output.

**Market Stability:** While Pratītyasamutpāda maintains that all formations are transient and require dynamic, adaptive reactions, MSD presupposes stable equilibria.

**Irregularity of Power Invisibility:** Pratītyasamutpāda exposes long-standing relational injustices as co-arising conditions that need to be specifically addressed, but MSD frequently ignores them.

### **Conclusion**

In this study, the early Buddhist ideas of Dependent Origination and Hetu Pratyaya are integrated to redefine Market Systems Development from a merely technocratic exercise to an ethically motivated discipline. It makes previously hidden feedback loops analytically tractable and embeds non-harm, sufficiency, and relational dignity as non-negotiable success requirements by viewing each market player, regulatory tool, and societal norm as a conditioned node within a dynamic causal web. It is empirically supported that multi-node interventions, which jointly address norms, policy, and finance, consistently outperform single-lever initiatives on sustainability and equity criteria.

Importantly, Dependent Origination emphasizes how all market events are co-arising and impermanent (anicca). Interventions created with this understanding are inherently self-



correcting, adaptive, and long-lasting. On the other hand, traditional MSD frameworks that ignore these ideas continue to be stuck in static logics, thus maintaining the structural factors that keep people in poverty. Thus, incorporating Buddhist systems thinking changes the focus from "doing better projects" to developing markets that are robust, compassionate, and effective all at once, and that are gradually released from the structural constraints that cause ongoing deprivation.

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