

## **The Relevance of Buddhist Economics**

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The current global economy is guided by unbridled development and gigantism. Such a development is not only cutting us off from nature and one another but also undermining natural and cultural diversity. One major consequence of this is that our very survival is threatened. The global economy is overwhelmingly controlled and run by consumerism and salespersons in which things are bought not because people need them but because they want them. The modern economic notion that more production of goods would make people happy is misplaced. An attitude to life which seeks fulfillment in the single-minded pursuit of wealth in short, materialism does not fit into this world, because it contains within itself no limiting principle, while the environment in which it is placed is strictly limited. The modern economy is propelled by a frenzy of greed and indulges in an orgy of envy, and these are not accidental features but the very causes of its expansionist success. Such causes... carry within themselves the seeds of destruction.

Economist E.F. Schumacher was the first to introduce the concept of Buddhist economics in his book 'Small is Beautiful.'<sup>1</sup> This was followed by similar writings by P.A. Payutta of Thailand<sup>2</sup> and other Buddhist scholars. The Buddhist economy is based on the motto of happiness and welfare of maximum number of people.<sup>3</sup> It is a "Middle way" of development, aiming to achieve maximum well-being with minimum consumption.<sup>4</sup> It does not necessarily see unbridled modernism and westernization as a positive phenomenon as it is responsible for many of the major problems that we face today.

The Buddha's teachings are about change and impermanence in the natural world. We are taught to accept the ever-changing flow of life in the biosphere, the cycles of life and death, the impermanence of all beings. The changes precipitated by globalization, however, are based on a denial of the impermanence in nature observed by the Buddha. As the Buddha taught, our spiritual awakening comes from making a connection to others and to nature. The study of Buddhist economics could be recommended even for those who believe that economic growth is more important than any spiritual or religious values... It is a question of finding the right path of development, the Middle Way between materialist heedlessness and traditionalist immobility, in short, of finding Right Livelihood.<sup>5</sup> The righteous householder aims at harmonious living and compassion which is the desire to remove what is detrimental to others and their unhappiness.<sup>6</sup> This is the concept of the well-adjusted and balanced person, who while he seeks pleasure, exercises a degree of restraint and limits his needs and avoids greed (visamalobha).<sup>7</sup>

Not only the inherent value of life itself but also the interdependence and reciprocity of human and other forms of life are a fundamental Buddhist belief. Thus, nature and humanity

on the one hand and humans amongst themselves on the other are seen as mutually obligated to each other. A living entity can neither isolate itself from this causal nexus nor have an essence of its own. In other words, as part of the Dependent Arising (patittasamuppada), humans are seen as affecting their environment not only through the purely physical aspects of their actions, but also through the moral and immoral qualities of such actions. That is, karmic effects sometimes catch up with people via their environment. It is thus said that, if a king and his people act unrighteously, this has a bad effect on the environment and its gods, leading to little... rain, poor crops and weak, short-lived people.<sup>8</sup> In the beginning, nature was bountiful, but it became less so when humans began to take greedily from it.<sup>9</sup> When they began to harvest more rice than they needed, it was not naturally able to grow quickly enough. This necessitated cultivation which in turn caused division of land into private fields, so that property was invented. Origin of private property became the root cause of different social and economic ills.

Global socio-economic system promotes competition rather than cooperation. This is bound to generate conflict and resentment. A society founded upon the Buddhist Dharma recognizes that one should aim at promoting the good of the greater unit to which one belongs, and as a minimum one must not look for one's own satisfaction in ways that may cause harm to others. Thus, in Buddhist approach to social and economic development, the primary criterion governing policy formulation must be the well-being of members of the society as a whole. Production must serve the real needs of the people, not the demands of the economic system. In such a system, economic development would be guided not by maximum consumption but sane and rational consumption furthering human well-being. Buddhism promotes a wide distribution of basic necessities so that no one has to suffer deprivation as deprivation is the root cause of social conflict. Thus, talking about the cause of social conflict, the Buddha pointed out that goods not being bestowed on the destitute poverty grew rife; from poverty growing rife stealing increased, from the spread of stealing violence grew apace, from the growth of violence, the destruction of life became common.<sup>10</sup>

Hoarding wealth in any form is looked down upon in Buddhism and if a wealthy person were to enjoy his wealth all by himself only, it would be a source of failure for him.<sup>11</sup> In fact, pride of wealth or economic snobbery is given in Buddhism as a cause of one's downfall.<sup>12</sup> The present system generates greed and selfishness in which personal success is valued more highly than social responsibility. "The hope... that by the single-minded pursuit of wealth, without bothering our heads about spiritual and moral questions, we could establish peace on earth, is an unrealistic, unscientific, and irrational hope... the foundations of peace cannot be laid by universal prosperity, in the modern sense, because such prosperity, if attainable at all, is attainable only by cultivating such drives of human nature as greed and envy... making inordinately large demands on limited world resources and... (putting rich people) on an unavoidable collision course- not primarily with the poor (who are weak and defenseless) but with other rich people).<sup>13</sup> Necessarily, those who are stronger, more clever, or more favored by other circumstances will try to establish a favored position for themselves and try to take

advantage of those who are less powerful, either by force and violence or by suggestion... (Conflict in the society) cannot disappear as long as greed dominates the human heart.<sup>14</sup>

Buddhism, even though speaking in atheistic and secular terms, aims at the liberation of human beings from egoism and greed as they are the main cause of misery and harm. There is no doubt that environmental disaster is to a great extent due to the insatiable greed of humans. Buddhism on the whole, though does not mind wealth and prosperity, but they have to be acquired and used in full accord with the ethical norms. Human tendency to have - to possess - which the Buddha called craving (*tariha*), is the basis of present profit-driven global economy fostering greed. As compared to this, Buddhist economy would base itself on 'to be' - to share, to give, to sacrifice.<sup>15</sup> In the current profit-driven global economic system anything that is 'uneconomic' is sought to be obliterated out of existence. But Buddhist economics would take into account not only the profitability of a given activity, but also its effect upon people and environment, including the resource base.

Buddhist Economics emulates Voluntary Simplicity, Contentment, Liberality, and Generosity. By pointing out that the vulgar chase of luxury and abundance is the root-cause of suffering. The cultivation and expansion of needs is the antithesis of wisdom, peace and freedom. Every increase of needs tends to increase one's dependence on outside forces over which one cannot have control, and therefore increases existential fear. Only by a reduction of needs can one promote a genuine reduction in those tensions which are the ultimate causes of strife and war.<sup>16</sup> Thus, Buddhist economics based on ideals such as being content with little, avoiding wastefulness, voluntary simplicity i.e., fewness of desires (*appicchata*), and contentment (*santuttii*) aspires to pave the road to peace and happiness. Contentment is the mental condition of a person who is satisfied with what he has or the position in which he finds himself.<sup>17</sup>

From the Buddhist point of view, economic and moral issues cannot be separated from each other. Mere satisfaction of economic needs without spiritual development can never lead to contentedness among people. Just as poverty is the cause of much crime, wealth too is responsible for various human ills. In the consumer society wealth is merely seen from a materialistic point of view. The result of such an attitude is that its possessor is never satisfied and does not have the correct attitude towards it. However correct attitude towards wealth from the Buddhist point of view is very important because it views material wealth as only required to meet bare necessities. Moreover, wealth must be earned only through righteous and moral mean

Generosity and liberality are always linked in Buddhism with virtue. Moreover, by doing so one gets rid of selfishness and becomes more unacceptable to others because one who gives makes many friends.<sup>18</sup> It is not necessary to have much to practice generosity because giving from one's meager resources is also considered very valuable.<sup>19</sup> Generosity is one of the important qualities that make one a gentleman.<sup>20</sup> The Buddha compares the man who righteously earns his wealth and shares it with the needy to a man who has both eyes,

whereas the one who only earns wealth but does no merit is like a one-eyed man.<sup>21</sup> To build up a healthy society, therefore, liberality and generosity have greatly to be encouraged.

In Buddhist economics... production from local resources for local needs is the most rational way of economic life... the modern economist... tends to take statistics showing an increase in the number of ton/miles per head of the population carried by a country's transport system as proof of economic progress, while to the latter - the Buddhist economist - the same statistics would indicate a highly undesirable deterioration in the pattern of consumption".<sup>22</sup> Today we understand natural capital as the sum total of renewable and non-renewable resources, including the ecological systems and services that support life. It is different from conventionally defined capital in that natural capital cannot be produced by human activity.

Since human beings are social creatures who naturally come together for common ends, this means that a social order guided by Buddhist principles would consist primarily of small-scale communities in which each member can make an effective contribution. Only small-scale social arrangements can rescue people from the portending future disaster. Considered from a Buddhist point of view, the huge polluted mega-cities and uncaring bureaucrats and politicians typical of our age are unsuitable for a proper welfare of sentient beings. The most suitable and compatible economy would be small-scale and localized. Such an economy would use simple technology which would not drain natural resources and in its production would be aimed principally at local consumption, so that there would be direct face-to-face contact between producers and consumers. Large-scale technologies are dehumanizing and morally wrong. If economic structures become too large they become impersonal and unresponsive to human needs and aspirations. Under these conditions individuals feel functionally futile, dispossessed, voiceless, powerless, excluded, and alienated. Wisdom demands a new orientation of science and technology towards the organic, the gentle, the nonviolent, the elegant and beautiful.<sup>23</sup> Thus, in the Buddhist concept of economic development, we should avoid gigantism, especially of machines, which tend to control rather than serve human beings. If bigness and greed can be avoided, the Middle Path of Buddhist development can be achieved.

Nature always, so to speak, knows where and when to stop. Greater even than the mystery of natural growth is the mystery of the natural cessation of growth. There is measure in all natural things- in their size, speed, or violence. As a result, the system of nature, of which man is a part, tends to be self-balancing, self-adjusting, self-cleansing. Not so with technology... (which) recognizes no self-limiting principle- in terms, for instance, of size, speed, or violence. It therefore does not possess the virtues of being self-balancing, self-adjusting, and self-cleansing.<sup>24</sup> Our economy is already big enough and our technologies too smart and too powerful. What we need most of all is streamlining and downsizing: cutting down on weapons production, on industries dedicated to wasteful luxuries, on conspicuous consumption as the engine that drives the economy. Instead we need qualitative improvements to make our technologies more humble and humane, more benign towards the total biosphere.

Economic justice and social equity are essential so that no one is deprived of a fair standard of living. To live peacefully, we must live with a reasonable degree of equity, or fairness, for it is unrealistic to think that, in a communications-rich world, a billion or more persons will accept living in absolute poverty while another billion live in conspicuous excess. Only with greater fairness in the consumption of the world's resources can we live peacefully, and thereby live sustainably, as a human family.<sup>25</sup> Well-documented scientific studies have now clearly established that each living creature has its place in the biosphere, whereby its unique role is part of the collective balance. The egalitarianism of rights to life is therefore based on scientific realities such as the unity of the living world, its vast diversity and the complementary nature of its different components. The right to have humanizing work that is dignified and meaningful right livelihood (Samma-ajiva) as it is known in Buddhism.

The Buddhist values mean that environment should not be over exploited. As the Tibetans say very wisely that not too much of anything that is precious should be taken from the earth, as then its quality fades and the earth is destroyed.<sup>26</sup> The Buddhist ideal, in fact, is co-operation with nature, not domination. This results in a harsh and improvident treatment of things upon which we ultimately depend, such as water and trees.

Moreover, modern economics does not distinguish between renewable and non-renewable materials, as its very method is to equalize and quantify everything by means of a money price. The cheapest is automatically the one to be preferred, as to do otherwise would be irrational and 'uneconomic.' From a Buddhist point of view non-renewable goods must be used only if they are indispensable, and then only with the greatest care and the most meticulous concern for conservation. To use them heedlessly or extravagantly is an act of violence... The Buddhist economist would insist that a population basing its economic life on non-renewable fuels is living parasitically.<sup>27</sup> Thus, a new relation must be established between people and nature, one of cooperation not of exploitation. Buddhism enjoys a respectful and non-violent attitude towards ecology.

The driving force of such an economy would be the promotion of well-being both material and social, not commercial profit and unrestrained expansion. One tried to hide the sharpness of this conflict by making the assumption that what was good for the growth of the system (or even for a single big corporation) was also good for the people. This construction was bolstered by an auxiliary construction: that the very qualities that the system required of human beings- egotism, selfishness, and greed- were innate in human nature; hence, not only the system but human nature itself fostered them. Societies in which egotism, selfishness, and greed did not exist were supposed to be primitive, their inhabitants childlike. People refused to recognize that these traits were not natural drives that caused industrial society to exist, but that they were the products of social circumstances.<sup>28</sup> The technology of mass production is inherently violent, ecologically damaging, self-defeating in terms of non-renewable resources, and stultifying for the human person. The technology of production by the masses, making use of the best of modern knowledge and experience, is conducive to

decentralization, compatible with the laws of ecology, gentle in its use of scarce resources, and designed to serve the human person instead of making him the servant of machines.<sup>29</sup>

We are trying to satisfy nonmaterial needs with material goods. For Buddhism material satisfaction merely provides a starting point for the pursuit of higher goals. The Buddha called upon people to wake up and liberate themselves from the illusion that craving for things leads to happiness. It is not cleverness but wisdom which can enable us to see the hollowness and fundamental unsatisfactoriness of a life devoted primarily to the pursuit of material ends, to the neglect of the spiritual. Such a life necessarily sets man against man and nation against nation, because man's needs are infinite and infinitude can be achieved only in the spiritual realm, never in the material.

Man assuredly needs to rise above this humdrum world; wisdom shows him the way to do it; without wisdom, he is driven to build up a monster economy, which destroys the world, and to seek fantastic satisfactions, like landing a man on the moon. Instead of overcoming the world by moving towards saintliness, he tries to overcome it by gaining preeminence in wealth, power, science, or indeed any imaginable sport.<sup>30</sup> Spiritual health and material well-being are not enemies: they are natural allies. A Buddhist approach to economics would distinguish between misery, sufficiency, and glut. Economic growth would be good only to the point of sufficiency. Limitless growth and consumption would be disastrous. Further, whereas Buddhist economics would be based squarely on renewable resources, modern economics is based on the ruthless exploitation of nonrenewable resources and recognizes no limits to production and consumption- a non-sustainable system. Economics without Buddhism, i.e., without spiritual, human, and ecological values, is like sex without love... While the materialist is mainly interested in goods, the Buddhist is mainly interested in liberation. But Buddhism is the Middle Way and therefore in no way antagonistic to physical well-being. It is not wealth that stands in the way of liberation but the attachment to wealth; not the enjoyment of pleasurable things but the craving for them... From an economist's point of view, the marvel of the Buddhist way of life is the utter rationality of its pattern-amazingly small means leading to extraordinarily satisfactory results. A modern economist measures the standard of living by the amount of annual consumption. A Buddhist economist would consider this approach excessively irrational: since consumption is merely a means to human well-being, the aim should be to obtain the maximum of well-being with the minimum of consumption... The ownership and the consumption of goods is a means to an end, and a Buddhist economics is the systematic study of how to attain given ends with the minimum means.<sup>31</sup>

Buddhist economics is very different from the economics of modern materialism, since the Buddhist sees the essence of civilization not in a multiplication of wants but in the purification of human character. Character, at the same time, is formed primarily by a man's work... properly conducted in conditions of human dignity and freedom.<sup>32</sup> It is unBuddhistic to consider goods as more important than people and consumption as more important than creative activity. Such an aim was made explicit in the Green Buddhist Declaration.<sup>33</sup>

Buddhist Economics means Purification of Human Character. We believe that since world resources and the ecosystem cannot support all peoples at the level of the consumption of the advantaged nations, efforts towards global equity must be coupled with efforts towards voluntary simplicity, in one's individual life-style and through democratically-determined policies. The economic structures which encourage consumerist greed and alienation must be transformed. "If the intention is to play a useful role in society in order to support oneself and to help others, then the work one does is right livelihood".<sup>34</sup> "Along with the working of markets, a variety of social institutions contribute to the process of development precisely through their effects on enhancing and sustaining individual freedoms. The formation of values and social ethics are also part of the process of development that needs attention."<sup>35</sup>

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