

BUSINESS AND BUDDHIST ETHICS

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Business can be viewed as an important part of the modern world. Economic life plays the significant role in the daily life of people. As human life contains so many dimensions other than the economic one, human life which is seen through the economic dimension only could be considered too narrow. However, most of people in today's world seem to be directed by economics as if it were all of life. This fact leads to a question of how religion will benefit the people within this context. The author aims to answer this question, basing the ideas on the Buddhist teaching. The main points of the article will focus on: "How to do business and have a happy life in terms of individuals and society at the same time."

The concept of benefit in Buddhism

Buddhism has always accepted the truth that happiness is an essential part of ethics. Happiness gives significance to the practice of *dhamma* and forms the ground or support for religious observance both on the level of *dhamma* practice and the level of ethics in general.¹ Therefore, all people should have suitable happiness in accordance with their standing in life. From the Buddhist view of happiness, which sees it divided into three levels—sensual happiness (*kāmasukha*), *jhāna* happiness (the happiness of meditative absorption states), and *nibbāna* happiness—we see that the pursuit of happiness on the sensual level, or physical or material happiness, is not at odds with Buddhist ethics if we do not allow our minds to become infatuated with it or attach fast to it, and our minds are free and ready to step up to higher levels of happiness.

Buddhism believes that the mind leads all kinds of actions.² Mind or consciousness is what cognizes the mental contact (*phassa*) that gives rise

¹ Phra Rājavaramunī, *Buddhadhamma* (Bangkok: Mahāchulālongkorn University Press, 1986), pp. 556-557.

² Khuddaka Nikāya, Dhammapada, 25/1-2. (The *Tipiṭaka* used by the author in this paper is the Royal Thai version, the commentaries and sub-commentaries are the *Pāli Sāmrattha* version-editor.)

to gladness and sadness.³ People are pleased when they feel pleasant feelings and displeased when they experience suffering. Human beings therefore love happiness and hate suffering. Thus human beings avoid the contact that leads to suffering and seek only contact that leads to happiness, and so they are self lovers. Since human beings love their own selves, and love happiness and hate suffering, they must free themselves from exploitation, because that gives them suffering, and find benefit, because that gives them happiness.

According to Buddhism, 'benefit' means things that are conducive to happiness (*attha*), things that help the experience of happiness (*hita*), and things that are happiness itself (*sukha*),⁴ and in establishing such benefit, human beings must create it for themselves, for others, and for both themselves and others, as described in the Buddha's words:

You should reflect thus: When considering one's own benefits, it is fitting that you achieve that benefit with heedfulness; when considering the benefit of others, it is fitting that you achieve that benefit with heedfulness; and when considering the benefits of both yourself and others, it is fitting that you achieve that benefit with heedfulness.⁵

Among these three kinds of benefit, benefit produced for both oneself and others is considered the highest value. Next is benefit produced for one's own self, and producing benefit for others is the third, as stated:

Between two groups of people, those who practice neither for their own benefit nor for the benefit of others and those who practice for the benefit of others but not for their own benefit, those who practice for the benefit of others but not for their own benefit are better. Among three groups of people ... (the two groups mentioned above) and those who practice for their own benefit but not for the benefit of others, those who practice for their own benefit but not for the benefit of others are best. Among four groups... (the three groups mentioned above) and those who practice both for their own benefit and the benefit of others, those who practice both for their own

³ Khuddaka Nikāya, Suttanipāta, 25/877.

⁴ Paramatthamañjusā, 4/32.

⁵ Aṅguttara Nikāya, Sattakanipāta, 23/72.

benefit and the benefit of others are most excellent, special, eminent, perfect, and precious.⁶

This excerpt shows that the essence of the concept of producing benefit according to Buddhism lies in that benefit leading to happiness both for oneself and for others. Benefit is received not only by oneself and not only by others. Thus the Buddhist idea of creating benefit refers to a harmonizing of the interests of the individual and society. Buddhism, however, admits that one should produce one's own benefit first, because if everyone could bring about his or her own benefit, the result would also benefit others and society as a whole. When each person is self reliant, he or she does not burden others, and is also capable of helping others.⁷

From the above, we can summarize the relation between Buddhist ethics, happiness, and benefit as follows:

1. Conduct and behavior in the course of the path (*magga*) will lead to the benefits which are the goal of life, which Buddhism divides into three levels: 1) benefits obtainable here and now, visible in our everyday lives; 2) further benefits, which are the spiritual benefits, and 3) the highest benefit, the benefit that is the highest goal of Buddhism, which is *nibbāna*. Buddhism accepts the importance of all these levels of benefits or goals. At the same time, it points out that even though not all people can attain the highest goal, *nibbāna*, they should direct themselves to attaining the immediate benefits and the further benefits. We might say that the course of conduct for reaching each of these levels or goals is to practice according to the path (*magga*). In practicing this path, one must start from developing one's own self, to be one who knows how to think and examine the things one sees and hears prudently (*yoniso-manasikāra*), which is an internal factor, and also to have good guidance from good friends (*kalyāṇamittta*), which is an external factor.

2. Buddhism accepts the importance of all levels of happiness in life, including bodily or material happiness. To obtain happiness in this level, however, morality must be employed as the guideline in order to prevent exploitation both to one's own self and others.

⁶ *Ānguttara Nikāya*, Catukkanipāta, 21/95

⁷ *Vinayatthakathā Tīkā*, 1/365.

3. Buddhism believes that benefit is not only something that enhances the arising of happiness but also happiness in itself. The creation of benefit, therefore, should be for one's self and others. Buddhism teaches people to consider themselves as well as others. In other words, to do things that harmonize the benefit of oneself and others. Any action that leads to harm or is detrimental to others should not be done because all people love themselves. Thus we should not harm others.

The principles of creating benefit according to the Buddhist perspective resemble the economic view of liberalism in that both accept that all human beings love their own selves, and it is this love of self that is the motivation for people pursuing their own benefit. The difference is that, in creating this benefit, Buddhism takes into consideration the benefit of others, and regards the creating of benefit for both oneself and others of higher value than creating benefit solely for oneself or solely for others. Liberalism considers that creating economic benefit for oneself will at the same time be beneficial to others, though this benefit that arises for others is not an aim as it is in Buddhism.

The economic life of the Buddhist

Since human beings must inevitably be involved in material things, because their lives are naturally dependent on them, they must have material things like food, clothing, dwelling places and medicine in order to live. Since human beings have to be involved in material things, they inevitably have to be involved in one economic system or another.

Magga, the Buddhist system of conduct, contains one factor known as *sammā-ājīva*, which means right livelihood, indicating that Buddhism also accepts the importance of economics. Buddhism admits and confirms the importance of material things, particularly the four supports, as appears in the Buddha's statement, for instance, that '*sabbe sattā āhāratthitikā*',⁸ which translates as "all beings subsist on food." Requirements for the four supports must be in a proper amount for the body to work normally—safe and free from illnesses—in order that one can perform duties and cultivate higher mental virtues and wisdom.

⁸ *Dīgha Nikāya*, *Pāṭikavagga*, 11/226.

Consumption

According to the Middle Way (*majjhimā patipadā*), behavior in terms of consumption is to follow the principle of *mattaññutā* mentioned in the *Ovādapātimokha*. The principle is to lead a simple life, living moderately. To determine what is moderate one should use the principle of *yoniso-manasikāra* (wise attention). The principle in relation to consumption is not to consume playfully, not to be infatuated with consumption, and not to consume for ornamentation or decoration, but for subsistence of the body, for life to go on, for the relief of physical discomfort and painful feelings such as hunger, and to live comfortably enough to practice higher levels of *dhamma*. The other three supports, dwelling, clothing, and medicine, also apply similar principles, as follows: Dwelling: for protection from natural dangers such as wind and sunlight. Clothing: for protection from harmful animals, insects, cold, heat, etc. Medicine: for relief of physical pains caused by illnesses.

The form of consumption according to Buddhist ethics is, therefore, economical consumption, because that is consumption according to physical necessity. Resources are used only for what is really necessary. Furthermore, this concept of consumption will help establish and instill proper habits and values in regard to consumption, correcting the approach to consumption in present liberal economies that emphasizes and promotes extravagant values in consumers through advertising in the mass media. The result is that people in society tend to consume things unnecessary to life in order to express their social status. Social values and quantities have therefore become factors in pricing products and services. According to the general principles of economics, if a product is cheap, people will have more purchasing power and sales volume will be boosted, but if the product becomes more expensive, the people's purchasing power is reduced and the sales volume will go down. The present situation, however, in which people's values incline to flaunting status and wealth, is that the higher the price is, the more people want to buy it because expensive products reflect social status. Consumer habits and values have become an important factor for production of unnecessary goods and services which consequently lead to extravagant wastage of our limited natural resources, and we see these habits and values cited when business people maintain that they encourage immoral values only in the response

to social demands, despite the fact that such demand is created by the businesses themselves.

For items apart from the four supports, which are necessary for human beings to subsist, the value and importance would vary in relation with social conditions and personal factors, such as the wisdom to understand advantages, disadvantages, and limitations of material things, as well as the ability to attain higher levels of happiness than sensual happiness. For this reason, Buddhism is not interested in stipulating that each person should have an equal amount of belongings since such is not a criterion for people's happiness and well-being. Buddhism concerns itself with the minimum standard, that everybody should have the four supports in sufficiency for their lives to proceed smoothly. Over and above this, Buddhism allows as many possessions as one's situation and spiritual development will allow, but within the limit that such possessions must not be a cause for exploitation of oneself or others. Some people feel content with just enough material possessions to get by on, turning their focus to spiritual and intellectual development. Others are not yet ready, their lives rely more on material things. If their way of life does not cause distress for others, this is acceptable. Furthermore, some people have the tendency, the skill and the ability to help other people. For them, a great deal of wealth will be for the benefit of their fellowmen.

Wealth and competition

Having enough of the four necessary supports, one should seek more wealth to be able to create benefit of other kinds. Householders must not only see to their own physical well-being, but also have other burdens for which material wealth is needed. For instance, they must look after the people dependent on them, such as their families, and also participate in social services, and help support the dissemination of *dhamma* for a better life. Therefore, householders have economic burdens and must seek further wealth.⁹

We see from the above that apart from the four supports of life, Buddhism also allows householders to seek wealth and possess it in accordance with their ability and readiness, but within limitations and so

⁹ Phra Dhammapitaka, *Economics According to Buddhism* (Bangkok: Mahāchulālongkorn University Press, 1994), p. 63.

long as it does not entail exploiting themselves and others. This point agrees with the right of ownership in the liberal economy. However, Buddhism not only sees a great deal of wealth as allowing the owners to bring well-being to themselves, their families and their dependents, but also expects that they will use the wealth they have acquired to help other people in society as well as to support religious activities. That is, it still emphasizes spiritual values.

The Buddha taught householders the way to attain benefit and happiness in the here and now, or the so-called "*ditthadhammikattha*," which is economic stability, making oneself wealthy enough for self-reliance. The qualities that lead to benefit in the here and now, the *ditthadhammikattha*, are four in number, as follows:

1. *Utt̄hānasampadā*, endowment with persistent effort: being diligent in one's responsibilities and work; to maintain an honest livelihood, to develop skills, and to wisely seek effective means to execute those aims.

2. *Ārakkhasampadā*, endowment with protection: guarding one's wealth and the fruits of one's labors obtained rightfully from one's efforts, not to let them be endangered or to decline.

3. *Kalyānamittatā*, endowment with good friends: understanding the people in one's area, choosing to associate, converse and study with and emulate those who are virtuous and learned.

4. *Samajīvitā*, endowment with balanced livelihood: determining one's income and expenditure in livelihood moderately, not allowing one's life to be too austere or too extravagant, so that one's income is higher than one's expenditure and there is some left over for saving. Those who can fulfill these four principles will find happiness in their wealth through moderation, which is a kind of happiness.¹⁰

These four principles show that according to Buddhism, the important factors for economic stability are to maintain an honest livelihood diligently, and to know how to be economical and save. In this respect, very diligent people will obtain more and more wealth, which means each person has to compete with oneself as much as possible: the more diligent one is, the more wealth one secures. According to the principle of creating

¹⁰ *Ānguttara Nikāya*, *Aṭṭhakanipāta*, 23/145.

benefit, once benefit is obtained for oneself, it also leads to benefit for others.

Buddhism does not judge people's goodness or badness from the size of their wealth because wealth is considered merely a stairway to other goals, not a goal in itself. Whether the possession of wealth is encouraged or not lies in the goals for which it is used. As a result, there are two points of interest concerning wealth for Buddhism: the ways wealth is obtained and conduct in regard to the wealth secured. In other words, Buddhism does not emphasize wealth itself, but its seeking and its use.

Since Buddhism gives such importance to the ways of seeking and using wealth, apart from competing with oneself to attain more wealth, fair competition with others for better efficiency and for increased benefit to oneself and others should not be against Buddhist principles.

Buddhism has mentioned many different types of wealth seekers. Here I would like to mention three, as follows:

1. People who seek wealth improperly and selfishly, then do not spend that wealth on their comfort, do not give alms, and do not make merit.
2. People who seek wealth improperly and selfishly, then spend that wealth on their comfort, but do not give alms and do not make merit.
3. People who seek wealth improperly and selfishly, then spend that wealth on their comfort, give alms, and make merit.

Among these three types of people, those who seek wealth improperly and do not use it for their own comfort are harmful both to themselves and to society. They harm themselves by not obtaining happiness from the wealth they have acquired. Also, they may be punished for their misconduct, which negatively affects people at large in that it is a way of destroying the economic cycle because wealth is not properly circulated. The second group harms themselves partially, in that they seek wealth improperly. However, they use their wealth only for their own comfort, so they are not advantageous to society. The third group harms themselves and society partially, but is also partially advantageous to society because they use their wealth for themselves, for alms giving, and for merit making.

Apart from this, having or acquiring wealth and then just hoarding it is also considered wrong, like seeking wealth improperly and using it wrongfully.

The Buddha criticized a very wealthy millionaire who had accumulated a great amount of wealth and possessions, but who lived on bad food of broken rice and vinegar, wore only three pieces of coarse-grained fabric, used an old vehicle and a sunshade made of leaves. He died without descendants to inherit his wealth. King Pasenadi of Kosala had to cart the uninherited wealth off into the palace. The Buddha criticized the millionaire who possessed wealth without making use of it thus:

This is how it is, Your Majesty. The unworthy man, acquiring great wealth, does not spend it for his own happiness and comfort, does not spend it for the happiness and comfort of his parents... his children and wife... his servants and workers... his friends and colleagues, does not place offerings in recluses and holy men (*samana brahmaṇa*) that are for spiritual happiness and lead to heaven. That wealth of his, not rightfully used, is inevitably taken by state authorities, stolen by thieves, destroyed in fire or lost in water, or taken by some unbeloved relatives. That wealth, not rightfully used, disappears to no use, unconsumed. It is like a pond in a land of demons, full of clean, cool, fresh, transparent water with good approaches, a shady place. No one can use the water for drinking or bathing.

As for the worthy man, having gained great wealth, he spends it for his own happiness and comfort, spends it for the happiness and comfort of his parents... wife and children... his servants and workers... his friends and colleagues, and places offerings in recluses and holy men that are for spiritual happiness and lead to heaven. That wealth of his, rightfully used, cannot be taken away by state authorities, thieves cannot steal it, fire cannot burn it, water cannot sweep it away, and unbeloved relatives cannot take it away. That wealth, rightfully used, is consumed, not wasted, just like a pond near a villages or market town full of clean, cool, fresh, and limpid water, with good approaches and shady setting. People can come and take the water, drink, bathe, or use it as desired.¹¹

A bad person, having gained wealth, does not use it for himself nor give it (to anyone else). Just like a pond in a land of demons, people cannot drink or use its water. A wise person, having gained wealth, uses it for himself and for his tasks (personal activities and charities). He is excellent. Having taken care of his kinsfolk, he is blameless. He attains to heaven.¹²

¹¹ *Anguttara Nikāya*, *Atthakanipāta*, 23/145.

¹² *Samyutta Nikāya*, *Sagāthavagga*, 15/386–9.

The above *Buddhavacana* teaches us that one should utilize wealth or possessions, not just hoard them uselessly. The presence of wealth is for the purpose of benefit. As for the ways in which wealth is to be used, we should take the guideline of five principles of *bhoga-ādiya*, which are:

1. To use wealth to support oneself, one's family, and parents comfortably.

2. To use wealth to foster one's friends and colleagues comfortably.

3. To use wealth for protection from danger and harm.

4. To make *balī*, the five kinds of offerings:

4.1 *Atithibalī*: offerings given as reception for guests

4.2 *Ñātibalī*: offerings for kinsfolk

4.3 *Rājabalī*: offerings made to the state, such as taxes and duties

4.4 *Devatābalī*: offerings made to deities, the things worshipped according to beliefs or social traditions

4.5 *Pubbapetabali*: offerings made to the deceased

5. To support recluses and holy men, monks who conduct themselves properly, practice well and develop themselves, who are not heedless or infatuated, and who maintain righteousness in society.¹³ As for methods for apportioning spending, they are given in the four *bhogavibhāga*, which teach the division of wealth into four parts. The first part is for consumption in one's own livelihood, for comfortably raising one's family and people under one's care, as well as in performing good works for public benefit. The second and third parts are for investment. The fourth part is to be kept as savings for use when the need arises, as there may be dangers, accidents, or obstacles in one's occupation such as illnesses.¹⁴

However, even though one seeks wealth rightfully and spends it beneficially, this is not yet considered to be perfection of conduct concerning wealth according to the Doctrine. The *dhamma* also emphasizes spiritual and intellectual values, as stated by the Buddha:

Monks, these three kinds of people exist in the world: the blind, the one-eyed, and the two-eyed. What are the blind? Some people in this world do not have the eye that helps to obtain wealth not yet obtained and to increase wealth already gained; neither do they have the eye that helps to know

¹³ Phra Dhammapitaka, *Economics According to Buddhism*, pp. 57-58.

¹⁴ *Ibid.*, p. 57.

skillful qualities (*kusaladhamma*) and unskillful qualities (*akusaladhamma*) ... qualities that are harmful and those that are not harmful... the inferior and the superior... the black and the white. These are the blind. What are one-eyed people like? Some people in this world have the eye that helps to obtain wealth not yet obtained and to increase wealth already gained, but not the eye that helps to know skillful qualities (*kusaladhamma*) and unskillful qualities (*akusaladhamma*)... qualities that are harmful and those that are not harmful... the inferior and the superior... the black and the white. These are the one-eyed. What are two-eye people like? Some people in this world have the eye that helps to obtain wealth not yet obtained and to increase wealth already gained, and also the eye that helps to know skillful qualities (*kusaladhamma*) and unskillful qualities (*akusaladhamma*)... qualities that are harmful and those that are not harmful... the inferior and the superior... the black and the white. These are the two-eyed.

Those who are blind or have bad eyesight are bad off in both ways: they gain no wealth and they make no benefit. The other kind of people, the one-eyed, occupy themselves in securing wealth, both rightfully and wrongfully, be it by stealing, cheating, or deceiving. These people are clever at accumulating wealth, but afterwards they go to hell, and the one-eyed fall into trouble. As for the two-eyed, they are the excellent ones: they share a portion of the wealth secured rightfully from their own labors to other people. They possess noble thoughts and determination, so they are bound for a good destination and do not live in distress. Keep a distance from the blind and the one-eyed, and associate with the excellent two-eyed ones.¹⁵

The truly proper conduct in regard to wealth, according to the *dhamma*, is to have an attitude known as *nissaranapaññā*. This means to be wise to and understand the real values and benefits of wealth, as well as the limitations of such values and benefits, to have a mind that is free, not the slave but the master of wealth. Wealth should be our servant, our tool for creating benefit and goodness, for helping relieve suffering, and bolstering happiness. It should not be allowed to cause us more suffering, destroy our mental health, destroy human values, or cause alienation among human beings.

Thus, among those searching for wealth, the Buddha praised those who seek wealth rightfully and unselfishly, use it for their own well being, alms giving, merit making, who are not greedy, not deluded, and not too much

¹⁵Anguttara Nikāya, Tikanipāta, 20/468.

involved in wealth, and who are mindful of the disadvantages of seeking wealth and employ wisdom to fling off infatuation with it. They are praiseworthy on four accounts:

1. They secure wealth rightfully.
2. They spend for their own well being.
3. They give alms and make merit.
4. They are not greedy, not deluded, not over-involved, but are mindful of the harm of wealth and employ wisdom to free themselves from infatuation in wealth.

The proper conduct concerning wealth according to Buddhist ethics can therefore be summarized as follows:

1. Seeking: seeking wealth rightfully
2. Using:
 - a) to support oneself (and one's dependents)
 - b) to share with others
 - c) to contribute to beneficial and meritorious activities
3. Attitude toward wealth obtained: not to be infatuated with wealth, but utilize it mindful of its advantages and disadvantages, to have a mind that is free and to use wealth for further spiritual and intellectual development.¹⁶

From the above summary of the Buddhist principles for dealing with wealth, we can see that Buddhism gives freedom to everyone in seeking wealth. All people have the right to choose an occupation according to their skills and ability, but that occupation should be within the frame of ethics. Possessions obtained from rightful labor can be used for the comfort of oneself, one's family and one's dependents. This conforms with the economic principles of liberalism. The difference, however, is that, be it methods of seeking wealth or the use of wealth already gained, the emphasis is on spiritual and intellectual values. That is to say, Buddhism does not reject physical comfort, but says that such physical well-being should proceed in conjunction with spiritual development.

The Buddha also mentioned four kinds of happiness of a lay person. A householder should have four kinds of happiness which are taken to be

¹⁶ Phra Rājavaramunī, *Buddhadhamma*, p. 781.

things he should strive for. There is for example the *Buddhavacana* addressed to the wealthy merchant Anāthapiṇḍika:

See here, householder. These four kinds of happiness are things that a householder, one who partakes of sense pleasures, should always gain. They are *atthisukha*, *bhogasukha*, *ananasukha*, and *anavajjasukha*.¹⁷

The four kind of happiness for a householder are:

1. *Atthisukha*: the happiness of having possessions, the pride and contentment that one has possessions obtained rightfully from the sweat of one's own brow and the strength of one's own arms, rightfully acquired.

2. *Bhogasukha*: the happiness of spending, the pride and contentment of using the wealth one has rightfully earned to support oneself, to support one's dependents, and contribute to useful activities. To have possessions but hoard them and not use them is miserliness, which is harmful to oneself and society.

3. *Ananasukha*: the happiness of not being in debt. To be in debt is considered a kind of suffering in this world. The suffering of creditors is the fear of not getting their possessions back, while the suffering of debtors is the worry that creditors will ask them to clear their debts.

4. *Anavajjasukha*: the happiness of blameless conduct, having good conduct which has no flaws in any way and is not censurable, either in body, speech or mind; not behaving in a way that is censurable.

Among these four kinds of happiness, the fourth kind, *anavajjasukha*, is the most valuable of all because it is what connects economic life with the wholesome life to be developed to perfection. We can see that Buddhism considers economic issues as a part of life. Apart from economic well-being, there must also be other values in life. Economic well-being should help promote and nourish life in other aspects, including the spiritual. Wealthiness should, therefore, facilitate and enable human beings to live more comfortably and be more ready to lead wholesome lives and perform good deeds in order to gain access to more and more wholesome things. Thus, Buddhism perceives economics, competition, seeking of wealth, and spending as a part of the good life. They are not good in themselves, but good because they help support other aspects of life, particularly the

¹⁷ *Anguttara Nikāya*, Catukkanipāta, 21/62.

spiritual aspect. In conclusion, Buddhism has the following attitude towards wealth and competition for wealth:

1. In terms of the individual, Buddhism praises only those who become wealthy from their own hard, honest labor and who use their wealth to good and wholesome ends. In other words, it praises being a good and useful person above having wealth. In this respect, competition for wealth is not wrong in itself, but it is wrong if it involves wrongful methods or immoral conduct.

2. In terms of society, wealth is a tool or support for life, but it is not the goal of life. Wealth should therefore be something that enables people to live more conveniently and prepares them to lead a wholesome life and perform good deeds in order to gain access to the higher good in accordance with Buddhist doctrine. When wealth arises for one person, that means wealth has arisen for mankind, or wealth has arisen in society. When one person becomes wealthy, society thereby becomes more prosperous and bounteous. Thus, when wealth arises for a good person, it is just as if it arose for society. These wealthy persons are compared to good fields in which rice grows for the benefit of all people,¹⁸ and the Buddha said "Wealth possessed by a good person is like a pond in a safe place: everyone can use it and benefit from it. Wealth possessed by a bad person is like a pond in a land of demons: even though the water is clear and refreshing, it is of no use."¹⁹ Wealthy people according to this principle should therefore be proud as representatives managing wealth to support their fellow beings and in comfort and give them the opportunity to do good deeds.

The duty of the state

In Buddhism there is also mention of principles of government. For instance, one of the duties of an emperor is to share wealth to the needy.²⁰ Buddhism recognizes the importance of wealth in worldly society. Poverty and need are important causes of crimes and social evils,²¹ and it is

¹⁸ *Ānguttara Nikāya*, *Atthakanipāta*, 23/128.

¹⁹ *Saṃyutta Nikāya*, *Sagāthavagga*, 15/387.

²⁰ *Dīgha Nikāya*, *Pāṭikavagga*, 11/35.

²¹ *Dīgha Nikāya*, *Pāṭikavagga*, 11/39.

considered the responsibility of the state or government to look after and apportion wealth to poor citizens and to remove poverty from the land. To do this, many methods are required, in keeping with each situation, especially creating opportunities for the people to pursue honest livelihoods, giving career support, allocating funds and equipment, as well as preventing and controlling unfair and wrongful methods, exploitation, etc. We can see from the Buddhist viewpoint that the state has a major role in the economy, unlike the economics of liberalism in which the state has only a minor economic role.

Goals of economic behavior and economic activities

From the Buddhist principles dealing with wealth, as far as can be summarized from the general teachings, we can see that in Buddhism economic behavior and activities are not separate from other activities in life. This view is in accordance with the practice in real life, because in real life human economic activities cannot be separated from activities in other areas. A good life entails good activities in many areas proceeding in harmony.

Therefore, economic behavior, activities and results are important in terms of Buddhist ethics in the following ways:

1. They are supporting factors or bases for happiness up to a degree. We have to admit the truth that material prosperity helps to make us happy. Buddhism also accepts this truth.

2. They are factors or bases for preparing human beings to develop the quality of their lives and develop their human potential. An example can be cited from the Buddha's time. Once when the Buddha was staying at Jetavana in the city of Sāvatthī, he saw in his psychic vision that a cowherd living in Ālavī was ready to attain *dhamma*, so he went there to give a teaching to that cowherd. As for the cowherd, when he heard that the Buddha was coming, he wanted to go and hear the teaching, but just then one of his cows went missing. He decided to go and look for the cow first, then came back to listen to the teaching. He walked through the forest looking for his cow and eventually found it and drove it back to its pen, but by that time he was exhausted. However, he went to the place that had been prepared for the Buddha's teaching.

When the Buddha saw the cowherd coming he knew that he was tired and hungry, so he asked a lay supporter to prepare some food for him to eat his fill, after which the Buddha began to teach. After hearing the teaching the cowherd attained stream entry (*sotāpatti-phala*). After giving the teaching, the Buddha took leave of the people of Ālavī and returned to Jetavana, but along the way the monks accompanying him speculated on the Buddha's actions. The Buddha then explained to those monks that "People dominated by hunger, who are suffering with hunger, are in no position to understand a teaching."²²

From this story, we can see that if the belly is empty people will not understand a teaching; that is why the Buddha let the cowherd satisfy his hunger first. Economics is therefore a very important issue. On the other hand, consumption or economic prosperity are not goals in themselves, but the ground for human development, for helping human beings achieve a better quality of life and attain something of higher value. For example, the cowherd, having satisfied his hunger, listened to the teaching. The creation of economic prosperity is an important task, but economic progress and prosperity must be related to the goal, to lead to a quality of life that prepares people to develop their potential, to create, or practice for, a wholesome life.

Buddhism considers economics to be only one factor or one activity. Life is a union of many factors and activities, thus we have common goals in life and society. Buddhism sees life, in keeping with this common goal, as advancing to liberation. Every moment of life, properly conducted, becomes training, a development of potential, and an increase of the quality of life. We should therefore always ensure that economic activity becomes part of the procedure or process of development of potential to increase the quality of life, because all aspects of life or all human activities are related and interdependent.

Activities that are correctly carried out, or proper economic behavior, is called *sammā-ājīva* (Right Livelihood), which is an element of the way of life or process of living known as the *Noble Eightfold Path*, as mentioned earlier. Arriving at this point, we now have a view of the status of

²² Phra Debvedī, *Buddhist Economics* (Bangkok: Buddhadhamma Foundation, 1988), pp. 5-6.

economics in Buddhist ethics, which is to say: Proper economic practice is Right Livelihood; Right Livelihood is a factor of the Buddhist way of life known as the Noble Path; The Path comprised of 8 factors is the way to the ultimate common goal of Buddhism. We may conclude the importance of economics from the position of Right Livelihood as follows:

1. Economic activities, which are called Right Livelihood, are part of the system which develops human potential or raises the quality of life to the level of liberation and peace. Since the Path has this aim, Right Livelihood, as an element of the path, has the same goal.

2. The Path is a system of practice that consists of eight factors. These factors must be interdependent and cooperate and harmonize in achieving the goal of Buddhism, which is the wholesome life. This suggests that economic activities are an element which is interdependent with other elements in the system of the wholesome life.

From the above we can see the Buddhist economic way of life as well as the importance and relation of economics in Buddhism thus: a good economic life is one of the elements helping to attain the Buddhist goal which is the wholesome life. Buddhism, therefore, does not reject economic wealth, because economic wealth, or a good economic life, can enable human beings to advance to goals that are better and higher than that.

From the study of economics according to Buddhist ethics, we may conclude that Buddhist ethics does not conflict with liberal economics, but is "compatible" when some additional conditions are applied, as explained below:

1. Buddhism accepts personal wants and seeking, and accepts the benefits obtainable here and now, which are matters of bodily or material happiness, with a view that seeking one's own benefit must always take into account the benefit of others, in effect harmonizing one's own benefit with the benefit of others.

2. Buddhism also accepts property rights, but economic assets or wealth are not goals in themselves, but a bridge to the physical and spiritual goals of oneself and others.

3. The seeking of wealth in the Buddhist view emphasizes rightful methods of seeking and spending. Economic competition which is fair and

not an exploitation of oneself or others is therefore not against Buddhist doctrine.

4. In the Buddhist point of view, the state has a major role in social justice. Even so, in a liberal economic system which does not have a truly perfect market situation, the state needs to facilitate equal opportunities for the poor before there is the possibility of achieving a good life. By this token, we may say that the state according to the Buddhist perspective must also guarantee freedom of opportunities.

5. Buddhism gives the freedom to choose occupations in accordance with each person's skills and ability, but this freedom must lie within the bounds of morality. The use of freedom without the guidance or control of morality will bring bad effects to society as a whole.

We can see, however, that Buddhism emphasizes a seeking of happiness or benefit which has morality (*sīla*), *dhamma*, and the principle of non-exploitation to guide it, and so tells entrepreneurs or businessmen that seeking benefit from business must be righteous and not an exploitation of society or the environment. At the same time, another important point is that questions of ethics in business must also be addressed at consumer habits, not just at business organizations.

The solution of ethical problems in business

1. Production

1.1 Production in economics means creating and transforming one object into something else in order to make that object valuable in terms of utility of satisfaction, or valuable in market terms. A persisting problem of production is that the production process under the business system is based on the principle of using production resources for maximum profits without paying attention to consequences that may arise, such as exploitation, environmental pollution, etc.

In his book, *Buddhist Economics*, Phra Debvedī expresses points out that in producing we think we are creating things, but actually we are only transforming things—transforming something into something else, from one substance into another, from one kind of labor into something else. This kind of transformation is creating a new condition by destroying the former condition. Thus production will always involve destruction. Some kinds of destruction are not acceptable, so some questions on economic

production remain for consideration. For instance, the value of some products is only equal to what is destroyed, in which case there is the question of whether to produce them or not. In some cases, it may be better to abandon such production, and such abandoning is an activity that promotes quality of life. As a result, it is not right for the new concept of economics to judge people only from whether they produce or not. Non-production may be a good economic action or activity. We must consider production as of two kinds: production which has an equally productive and destructive value (such as production that destroys natural resources and damages the environment) and production that is directly for the purpose of destruction (such as manufacturing weapons). There is production which has a positive result, and production which has a negative result, production that promotes the quality of life, and production that destroys it.²³

Manufacturers should therefore employ Buddhist ethics as the guideline in their economic activities. The principles that can be applied in production are Right Livelihood—having livelihood or business that produces goods that are beneficial to humanity, not producing harmful items like poisons, narcotics or dangerous addictive substances, lethal weapons, etc. The principle of benefit should also be used, meaning to produce at an amount that is appropriate to market demand, and produce goods that are of good quality and durability. Producers should not produce low-quality products in the expectation of profit from people having to repeatedly buy new items without any consideration for the consumer's benefit. They should use the principle of non-exploitation by choosing production technology carefully and not using natural resources in excess to the extent that the balance of the natural environment is destroyed, which means exploitation of nature and human beings themselves.

The *Aggañña Sutta*, which tells the origin of the human world, reflects the Buddhist point of view on ecology in which human beings and nature are united and inter-related. Production activities according to Buddhism must therefore be in harmony with the ecology and must contribute to the

²³ Phra Debvedī, *Buddhist Economics*, pp.38-39.

normal balance of nature. So production according to Buddhist ethics should be of goods and services that are not harmful to life, but are beneficial to the conduct of a good life (*sammāmagga*), taking into consideration benefits to the body and the mind as well as to preservation of the environment. Goods that damage physical or mental health and the environment are, according to Buddhism, of little or no benefit. Thus production according to Buddhism is such that it aims for happiness and peace for the members of society, allowing them to support their lives reasonably according to their incomes, neither too poorly nor too extravagantly, and not causing difficulties to others. The addressing of ethical problems in production requires use of the principle of Right Livelihood; that is, manufacturers should produce goods that are of value to life, and do not exploit themselves, others, or the environment, and should take the benefit of consumers into consideration.

1.2 On the issue of labor in production, liberal economics takes labor as a cost that should be minimized. Thus it tries to employ more and more technology in production to cut down cost and to increase productivity. Taking too much account of production efficiency sometimes causes conflicts between employers and employees. To reduce such conflicts, manufacturers should treat their workers as fellow humans, not as mere labor in the production process which can always be replaced by machines. The conflicts between employers and workers most frequently found have many causes. For instance, workers are not interested in taking responsibility for their duties and their work because of lack of familiarity with the lifestyle of an industrialized society or anything other than an agricultural lifestyle; employers do not abide by labor laws; employers use unfair methods to administer their workers or fail to understand them; workers demand higher wages to catch up with the cost of living and employers refuse to grant them. These situations lead to conflict. In these conflicts, if one side gains the other loses. For instance, if an employer increases his workers' wages, he will feel that his production costs have increased. However, most of the conflicts begin from the workers' feeling that their employers are taking advantage of them or treating them unfairly, so they form groups to demand what they want or go on strike. Mutual destruction is the result, causing a waste of human resources and

leading to destruction of the country's natural resources as well as unemployment problems.

If we carefully examine these conflicts, we will see that their major cause is selfishness on the part of both workers and employers. Workers are selfish in that they do not care about the efficiency of their production and do not take into account economic, social and other situations, including the troubles of their employers, while employers are selfish in trying to maximize their profits, and so pay no attention to the workers' feelings or what is righteous. Such conflicts would not arise if both parties tried to find a meeting point in their thought, activities, and benefits adhering to the Buddhist teaching called *sārāṇīyadhamma* (qualities leading to conciliation) given by the Buddha, in which each of the points can be applied to find a meeting point as follows:

1) A meeting point on opinions: When people are working together, they must have common thoughts according to the principle of *dīptisāmaññatā*, which means having equality in good views, having a common agreement. When communal problems occur, all people get together to correct them with mutual goodwill (*mettā*). This is called *mettāmanokamma*: establishing kindly mental actions, establishing mental actions that are imbued with goodwill, love, benevolence, and the desire to look on each other without aversion, danger or exploitation. Both parties must try to develop this kind of feeling and not push the burden to only one party. In addition there is the principles for establishing mutual understanding through lingual communication, *mettāvacīkamma*. This is speaking on the basis of goodwill by not using one's emotions or personal dislikes in one's work, but expressing words that are true, conciliatory, gentle, polite, and constructive, adjusting one's attitude to accept the truth that the continuity and progress of work also means the continuity and progress of business, rather than each of the parties struggling to get excessive results. Greed leads to destruction, as stated in the *Samyutta Nikāya, Sagāthavagga*: "Greed is dangerous to all *dhamma*,"²⁴ and "Desire brings men down,"²⁵ and the discussion of the reasons for inferior wisdom

²⁴ *Samyutta Nikāya, Sagāthavagga*, 15/73.

²⁵ *Samyutta Nikāya, Sagāthavagga*, 15/79.

and lack of reflection on consequences, both direct and indirect, both for the owner of the business and the employees. When reasoning and mindfulness are dominated by desire, intelligence in work will disappear, leaving only foolishness. This is destructive to oneself and to others, as in the saying "Wealth kills the fool, not those who look for the shore. Because of his greed, the fool kills himself just as he would kill another".²⁶

2) A meeting point in activities: This is the undertaking of activities on the basis of physical expressions which reflect mutual love and goodwill. This should be based on the principles of relationship between employers and workers, or the duties between employers and workers. The Buddha described them thus:

Employers should support their workers by: 1) assigning work that is suitable according to physical strength, gender, age, and ability; 2) giving a wage according to the work assigned and cost of living; 3) providing welfare, such as health care in time of illnesses; 4) sharing any extra benefits with them; 5) allowing days off for rest as appropriate.

Employees should respond to this support by: 1) starting work before their employer; 2) finishing work after their employer; 3) taking only what is given by the employer and being honest; 4) striving to improve their work; 5) spreading the virtues of their employers and businesses.²⁷

3) A meeting point on interests: This is a very important problem because in all kinds of work people want benefit. Conflicts and enmity often begin from conflicts of interests. Business owners want maximum profit from their investments to expand their businesses and increase their wealth as much as possible, so they try to minimize expenses and maximize profits. Employees want as much returns from their labor as possible. Because their interests go in opposite directions, a meeting point in thinking is required, such that it brings benefits together on the ground of loving kindness, i.e., "... to share rightful acquisitions to one another, not keeping only for one self."

Understanding the importance of sharing promotes stability, because in order for one party to survive the other has to survive too: both parties must depend on each other. Aiming only to hoard benefits for oneself is an

²⁶ Khuddaka Nikāya, Dhammapada, 25/93.

²⁷ Dīgha Nikāya, Pātikavagga, 11/171.

obstacle to happiness, as said in Buddhism: "He who eats alone eats not happily."

The implementation of the principles of *sārāṇīyadhamma* will help create good relations between employers and workers. For workers to have good relations with employers, they have to make an effort to do their jobs as well as possible, and so production efficiency will be improved.

Our discussion of production describes the characteristics of production that is morally right, but it is not only right morally. This concept of production can also bring about efficiency in production since limited resources are used appropriately and labor is used more efficiently because of good job motivation.

2. *Marketing*

Once goods and services have gone through the production process, they are brought into the process called "marketing". According to economics, consumers want to buy products at low prices while producers want to sell their products at high prices. For this reason, producers must maximize their profits by minimizing costs, then price the products as high as possible. This leads to both positive and negative results. Positively, it leads to technological research in order to manufacture products at the lowest cost, which could mean cheaper products to consumers. Negatively, it leads to underpricing labor, underpricing the factors of production, and release of toxicants resulting from that production to pollute the environment. To solve these negative results, we will here present the principles of Buddhist "market ethics" so that the market serves as a response to people's needs for the necessities of life, not just as a mechanism for unlimited profits without concern for people.

Buddhism does not prohibit seeking wealth or making profit, as shown in the *Anguttara Nikāya, Tikanipāta* (20/458), which refers to merchants and householders who obtain great amounts of wealth as "farsighted people who know how much they bought their merchandise for, how much they have invested, how much they will sell their merchandise for, how much profit they will make, and how much investment return they will have. They are clever in their trade."

From the above we can see that Buddhism teaches traders to anticipate and analyze market situations, to know how much to buy and sell for in order to make a profit, and to know which products have good liquidity,

meaning which goods are in high demand and are in sufficient supply to be conveniently marketed. All this does not mean it is good to trade any kind of good that makes a profits, because the Buddha recommended avoiding certain types of goods, calling them *micchāvanijjā*: trades that should be avoided by a Buddhist lay follower (*upāsaka* or *upāsikā*). There are five of these:

1. *satthavanijjā*: trade in weapons of destruction such as spears, swords, guns, etc.;
2. *sattavanijjā*: trade in human beings;
3. *mamsavanijjā*: trade in livestock and meat;
4. *majjavanijjā*: trade in intoxicants;
5. *visavanijjā*: trade in poisons.²⁸

Trading in weapons is prohibited because they are tools for killing and destruction. Seeking profits from selling weapons is tantamount to making profit from the death and destruction of human beings. Trading in human beings is prohibited because human beings are born equal. All people are equally human beings, so for people to buy and sell other people is extremely wrong. Such trading brings human dignity down to the level of animals or inanimate objects. It is exploitation, one group suppressing and exploiting another as goods.

Trading of livestock is prohibited because all beings love life. Selling and seeking profits from animal trading is a kind of exploitation because it causes people to go around taking animals and confining them in order to be sold, at a cost of great misery to the animals. Trading of meat for food, as well, is prohibited. For lay people there must be some killing of animals for food, but such killing should be done only in accordance with the necessity of consumption, which would mean only a little killing. If animals are killed commercially, however, large numbers of animals are involved. This is profiteering from the lives of animals, which is a more serious kind of exploitation than killing for consumption.

Trading of intoxicating beverages is prohibited because imbibing them is a cause of activities that lead to suffering. They are harmful in many

²⁸ *Ānguttara Nikāya*, Pañcaka-Chakkanipāta 22/177.

ways to both oneself and others. The *Tipiṭaka* lists six disadvantages of drinking as below:

1. wealth visibly disappears;
2. quarrels are caused;
3. bodily and mental health are impaired;
4. there is dishonor to oneself;
5. one becomes shameless;
6. intelligence is impaired.²⁹

The Buddha considered drinking to be one of the serious causes of ruin, so he forbade trading of intoxicating beverages. Trading of poisons is prohibited because poisons kill people, or at least are seriously harmful to the mind and the body. Nowadays, we find that most entrepreneurs focus only on low costs and high profits. They will do any kind of business as long as it makes high profits. Therefore we see trade in weapons, from spears and swords to guns, poisonous gases, bombs, and nuclear weapons that can kill tens of millions of people at a time. Those who sell these weapons make profits and become rich, but those who use them die in countless numbers.

Human beings are sold in many places of entertainment such as bars and brothels. Women are tricked and forced into prostitution. Some people buy children and women, then force them to work without pay in factories treating them like slaves. Animals and meat are sold widely. Some wild animals have become extinct through people catching or hunting them to sell. Some are kept captive waiting to be sold to foreign countries. These are profits made on the suffering of animals. Slaughterers seek profit from the flesh, blood and lives of countless animals. Sometimes, in order to maximize profits, surplus animals are incinerated or thrown into the sea, causing a huge waste of lives.

Liquor is sold as completely normal, and alcoholics are numerous. Money is wasted, health ruined, arguments inflamed, and mistakes made in the work place due to carelessness from drunkenness.

Although sales of poisons is controlled, many poisonous substances are made widely available to extract a profit from ignorant people, ranging

²⁹ *Dīgha Nikāya, Pāṭikavagga, 11/198.*

from pain killers, tranquilizers, stimulating drinks and MSG to food colorings and cosmetics loaded with poisonous chemicals.

In the Buddhist view, selling these things is harmful to other people and to society as a whole. If society as a whole is troubled, unstable and confused, eventually all are affected, even those who conduct these trades. In the *Kandaraka Sutta* of the *Majjhima Nikāya* (13/12), twenty-six kinds of persons who cause no troubles to themselves or others are mentioned, and one of these, number 24, deals with trade, stating "Abstaining from cheating by the scale, deception by fakes, and cheating with measuring instruments." However, the reality of the market place in society is that these things are commonplace. Traders adulterate their products, ruining the reputation of the country. Examples are the adulteration of tablet cassava with pebbles, sand and corncob, or adulteration of oil with water and color to make more profits.

The 25th of these points states that deceit causes troubles to other people, and should be refrained from. But we see advertisements designed to sway us with deception in the expectation of increased sales. For example, some locally made low-cost products are advertised as expensive imports, and harmful products such as MSG and certain cosmetics are portrayed as useful and beneficial. This kind of advertising bends consumers' feelings in favor of the advertised goods, all of which is deception.

The Buddhist ethical principle that can be applied to marketing activities is *pañcasīla*, the Five Precepts, which is the minimum level of training rules for human conduct. *Pañcasīla* consists of: 1. refraining from *pāṇātipāta*: not killing and leading a life free of physical exploitation; 2. refraining from *adinnādāna*: not taking what is not given and leading a life free of exploitation of others in terms of wealth and possessions; 3. refraining from *kāmesumicchācāra*: refraining from sexual misconduct, leading a life free of exploitation of others in terms of their spouse or beloved ones, and being faithful to sexual customs and one's spouse; 4. refraining from *musāvāda*: not speaking falsely and leading a life free of exploitation of others through false speech, lying, deceiving, depriving them of their interests, or defaming; 5. refraining from *surāmeraya-majjapamādaṭṭhāna*: taking no intoxicating liquors which are a cause of heedlessness, i.e., refraining from intoxicants and leading a life free of

heedlessness, carelessness and delusion caused by narcotics that impair mindfulness and comprehension.³⁰

If businessmen adhered strictly to the Five Precepts there would be no unethical businesses such as trade of weapons and narcotics. The *apāyamukha* (pathways to ruin) and vice industries, as well as swindling and deceit through various means, would not arise. In the same way, without demand, there would be no supply: i.e., no production or service. Thus it is also up to consumers to correct their own habits.

Bringing together the principles and teachings dealing with commerce in Buddhism, we can conclude that business dealings according to Buddhist ethics must accord with Right Livelihood, exploiting neither oneself nor others. To not exploit others in Buddhism refers not only human beings, but all beings; i.e., all life systems that interrelate with one another in the environment made up of human beings, nature, and society. Mankind's way of life must relate to and depend on these three elements. Therefore, business operations must be such that they do not exploit oneself—not damaging the quality of life but rather developing and promoting it—and not exploit others—neither creating distress in society or destroying the quality of the environment.

Profit

In business, profits are the returns for investments and labor, and are the incentives for business to go on. A question to be considered is, since the supreme goal of Buddhism is *nibbāna*, and that is a state of liberation from all craving and attachment, is profit maximization, which is directly related to selfishness, against Buddhist ethics—can a businessman who seeks maximum profit be a good Buddhist? To put it another way, *nibbāna* is a state in which there is no longer clinging to *attā* (self), which means those who attain it have no selfishness. In term of business, however, selfishness or profit maximization is the highest stimulation for business activities to begin. It seems that seeking maximum profit contradicts the path to the ultimate goal, *nibbāna*. In order to consider this question, the researcher feels we must begin with another question: whether a Buddhist who is not

³⁰ *Suttanipāta Aññhakathā*, 2/226.

capable of attaining *nibbāna* can still be considered a good Buddhist or not.

To answer this question we have to admit that Buddhist ethics is divided into two levels, which are:

1. *Lokiya* (mundane) level, which is the level for those who still seek worldly happiness. Business life is classified into this level.

2. *Lokuttara* (supramundane) level, which is for those who aspire to a happiness that is beyond the mundane level, which is the state of extinction of all defilements and sufferings, i.e., *nibbāna*.

According to Buddhism, a moral person is one who lives according to the path (*magga*), and practicing according to the path is the way to three levels of goals, as follows:

1. *Ditthadhammikattha*: initial goals. It refers to benefits that can be seen in everyday life, or the ordinary things that people aim for in this world, such as possessions, rank, honor, happiness, praise, wealth, money etc. that have been obtained rightfully. Benefits or profits rightfully gained in business are included in this level of goal.

2. *Samparāyikattha*: further goals. It refers to development of body and mind as well as mental values, the meditation attainments known as *jhā-nasamāpatti*.

3. *Paramattha*: highest goals. It refers to realizing the reality of all things as they really are, having a mind that is free from defilements (*kilesa*). It is called liberation (*vimutti*) or *nibbāna*.

The first two levels are the mundane while the third level is supramundane. Buddhism accepts the importance of all levels of goals in life in accordance with the readiness of different individuals. Even though ideally the aim is for everyone to attain the supreme goal of *nibbāna*, Buddhism admits that not everyone can attain this final goal.

From the above principles, we can summarize that while some Buddhists cannot attain the highest goal, *nibbāna*, which is the goal on the supramundane level, they can attain goals on the *ditthadhammikattha* or *samparāyikattha* levels, which are mundane, if they follow the path of *magga*, that is, if they have “*sīla*” (morality) in their lives, and they can be good Buddhists too. So businessmen who run their businesses morally can also be good Buddhists. For this reason, Buddhism provides appropriate

teachings and practical guidelines for Buddhists who are not yet capable of attaining *nibbāna* and are still looking for worldly happiness.

We have learnt from the Buddhist principles relating to wealth that Buddhism allows householders to seek and possess wealth according to their individual ability and readiness, within limitations, so long as they do not exploit themselves or others. There are also the principles that lead to immediate goals (*ditthadhammikattha*), which concern economic wealth. There are four of these: 1. *utthānasampadā* (endowment of diligence): diligent application to work, making an honest living, and knowing how to examine methods to execute one's work so that it is fruitful; 2. *ārakkhasampadā* (endowment of protection): knowing how to protect the wealth obtained from one's diligent labors from danger or deterioration; 3. *kalyāṇamittatā* (having a good friend): association with good people; and 4. *saṃajīvitā* (balanced life): having a balanced lifestyle.

We can see from the four principles above that what leads to economic prosperity, in the Buddhist view, is honest livelihood and diligence, and from the second principle, having obtained wealth rightfully, looking after it well and not letting it disappear. Thus the accumulation of wealth or funds is not against Buddhist principles. Buddhism has never condemned a millionaire simply for being a millionaire, because wealth achieved justly through hard work is not something to be condemned. By this token, if a businessman is ready and able, he may seek wealth or profit, then rightfully store it and accumulate as much as he can, as far as his/her potential allows.

To seek maximum profits within the bounds of fairness and morality is not against Buddhist ethics on the mundane level. Again, while Buddhism accepts that Buddhists are able to seek maximum profit according to the capitalist system, it must be understood that profit maximization means a fair maximum profit, one obtained through a pure process, a profit gained through a commercial system which has been created efficiently without exploiting or violating others.

Conclusion

We have described the concept of economics according to Buddhist ethics, and we find that an economy according to Buddhist ethics involves 5 basic principles—ownership, liberty, a market system of operations,

competition, and the role of the state—just as in the liberal economic system. This shows that Buddhist principles do not contradict those of liberal economic system. Even so, Buddhism suggests solutions to existing ethical problems in business operations under liberalism which may be summarized as follows: 1. a Middle Way (*majjhimā patipadā*) economics that focuses on sufficiency; 2. an economics without exploitation of oneself, of others, or the environment; 3. economic activities as the ground for further human development.

According to the first characteristic, an economics that focuses on sufficiency, the form of consumption will be such that it responds to physical necessities. Thus limited natural resources and social costs, such as soil, water, air, and natural resources, are utilized sparingly and only as much as is necessary.

Since values or habits of consumption according to Buddhist ethics are based on the principle of consumption out of necessity, not for the expression of social status, extravagant goods such as perfumes and cars, products harmful to health such as cigarettes and liquors, products that lead to destruction of life, such as weapons, as well as services leading to immorality, will decrease or eventually disappear. This is made possible through the principle of supply and demand. The principle of supply and demand attains a balance once supply and demand are in tune with each other. If consumption values or habits are in accordance with Buddhist ethics, unnecessary demands will not arise, and consequently there will be no supply. Supply will be a response to real demands, not to demands forced on consumers by the manufacturers.

The second characteristic, economics without exploitation of oneself, others, or the environment, will cause a production process based on Buddhist ethics to focus on ease, simplicity and cost saving without exploitation of labor. Employment of technology in the production process will be for the purpose of facilitating human labor, not replacing it, and will not force human beings into enslavement to machines. Human labor in any economy based on Buddhist ethics is such that it enables human beings to develop themselves. It will be energetic and lively, which in effect means people work at their best. Production efficiency will be increased without having to violate moral principles. In this system, human beings are more important than goods.

Since an economy according to Buddhist ethics would lay emphasis on producing in accordance with consumer necessities, goods and services would not be over diversified. Then consumers would not be induced into maximum or excessive consumption. The employment of simple technology and keeping the focus on human beings would mean that dignity would be afforded to the human being, and nature would not be exploited.

The third characteristic, economic activities as a ground for human development, means that once human beings have achieved economic well-being, they will not stop there. Their economic stability will be a base for them stepping up to higher level, to a wholesome life according to Buddhism. A wholesome life is a life practiced according to the path, *magga*, the result of which is goals on different levels, starting from initial goals to ultimate goal of Buddhism, which is *nibbāna*, the state in that all suffering is extinguished. This is the state most capable of effectively solving human problems, and it is the highest quality of life.

Perpetrators of violations of business ethics usually cite as an excuse that if they were not allowed to do so, production efficiency would be reduced. But experience has proven that such excuses are wrong, because violations of ethics have not led to increased efficiency and liberty. The Buddhist answer gives both liberty and production efficiency, on the condition that there is mental control in both consumers and manufacturers. Unethical practices will not be corrected simply by telling manufacturers not to do them. Consumers, as well, need to change their habits. The approach to solving ethical problems in business operation according to Buddhist ethics, therefore, emphasizes adjusting the values and habits of consumers while at the same time solving spiritual problems.

Translated from the Thai version by *Bruce Evans*