

Two Perspectives of Buddhist Economics

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Abstract

This paper has an attempt to bring out the perspectives of Buddhist economics as interpreted by Buddhist texts by modern Buddhist scholars. Buddhist Economics got a stimulus from E.F. Schumacher, who disillusioned with Western development models. He sees Right Livelihood in the Eightfold Path, in other words, the Buddhist way of life, as a necessary step of a Buddhist economics. There are, according to Buddhist scholars, two levels of Buddhist economics, viz., Macro-Economics and Micro-Economics. The former, according to Buddhist scholars, is the Buddha's advices, existing in various discourses from Buddhist texts, given to the king and the administrative officers to provide adequate livelihood to citizen of the state. The latter is the four prerequisites (*caturpaccyas*), the Buddha prescribes to his followers to observe, and the teachings related to appropriate living Buddha advised for the individuals in society to follow. In short, Buddhist Economics is the Middle path economics that does not harm oneself or others. From a Buddhist perspective, economic principles relate to the three interconnected aspects of human existence: human beings, society and the natural environment. Economic activity must take place in such a way that it doesn't harm oneself (by causing a decline in the quality of life) and does not harm others.

Keywords : Buddhist Economics, Macro - Economics, Micro - Economics, Livelihood (*SammāAjiva*)

Introduction

Economics is the fundamental principle of existence and subsistence of human beings. If there is no proper management of the economy, it is hard for a man to secure a happy and prosperous life. Economics, thus, plays a vital role in maintaining a social equilibrium. Recently, Buddhist scholars have sought to define and articulate the Buddhist economics from the Buddha's teaching. Apparently, Buddhist Economics got a stimulus from E.F. Schumacher, who disillusioned with Western development models. Schumacher looks to the Buddhist teaching of Right Livelihood in the Eightfold Path, in other words, the Buddhist way of life, as a necessary step of a Buddhist economics. For him, the goals of economics should be health, beauty, permanence and productivity: a simple society of simple technology. (See E.F. Schumacher, 1993 : 38-46)

Articulates that Buddhist Economics means the application of the Buddha's teachings to economics leading to the understanding of the real nature

of human beings and the relationships between human beings and nature. For him, Buddhist Economics is the subject of the science of economics as it is understood by one who knows an awakened one or an enlightened one without any limitation of the person's religious beliefs (Apichai Puntasen, 2004 : 7-8).

Thus Buddhist Economics aims at synthesizing the traditional Buddhism with modernization. The neglect of ethical side of the religion may lead to cultural disintegration. Buddhist scholars have regarded the middle way as neither extreme capitalism nor Marxist economics (J.K. Sharma, 2006 : 1).

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1. Buddhist Macro-Economics

The interpretation of Buddhist text from the modern Buddhist scholar's point of view is that Buddhist Macroeconomics is put forwards through the discourse the Buddha advised the heads of states, for example, in *CakkavattiSutta* of *DighaNikāya*. This sutta clearly states the relationship between economics and politics, according to which, the Buddha has stated the principle to be observed by world monarch. All universal monarchs' duties may be included under five categories; they are:

(i) *Dhammādhipateyya*: holding *Dhamma* to be the supreme principle; the ruler adheres to truth, righteousness, goodness, reason, principle and rightful rules and regulations as standards.

(ii) *Dahmmikārakkhā*: providing righteous protection; he provides fair protection to all groups of people in the land.

(iii) *Māadhammakāra*; prohibiting unrighteous actions; he arranges preventive and remedial measures against exploitation, oppression, corruption, or unrest in the country; he encourages the people to establish themselves firmly in honesty and virtue and also establishes a system that excludes bad people and promotes good ones.

(iv) *Dhanānuppadāna*: distributing resources to the poor, he ensures that there are no poverty-stricken people in the land by arranging that all people have a chance to make an honest living.

(v) *Paripucchā*: not failing to seek counsel; he seeks advancement in wisdom and virtue of having advisors who are learned and virtuous, who are morally upright and not heedless or self-indulgent, and who can help him to cultivate his wisdom and wholesome qualities (P. A. Payutto, 1998 : 29-30).

Out of the five duties of a universal monarch as stated above, the fourth one has the direct concern with economics, according to which, the universal monarch has to distribute his property to his subjects, inspiring them to lead a righteous life and making them abide by law and order. When a monarch fails to perform his duty in a state, there would be a lot of trouble, such as poverty, ill health, unemployment, immoral lifestyle etc. The citizen would undergo untold sufferings. However, the king who performs his duties well in accordance with the duties of universal monarch but fails to improve the economic depression finds that in his states; the rich gets richer; but the poor suffers increasingly. The poor even resort to rebellion and protest, thereby becoming a hindrance to the stability of the state. Moreover, poverty is the main cause of many evil deeds such as adultery, cheating, stealing, killing, and so forth. Above all, where the economic condition of states is very poor and low, there the citizens tend to neglect morality and commit wrong deeds.

Moreover, the discourse Buddhist scholars much discuss the teaching of the Buddha about economics is *Kūtadanta Sutta* which emphasizes that the economics is considered as the substratum of the state. Unless the economy in the state was properly taken care of, the causes of the ruin of the state may gradually increase in such a way that the king finds it difficult to subdue and gets rid of the problem. Hence, it was the duty of the ruler to pay due attention to the economic condition. Therefore, in the *Kūtadanta Sutta*, it is mentioned that a king has to perform his duties regularly and assure the best administration and justice. He has to review the economic condition of his people and see that no citizen in his kingdom suffers from poverty. When there are no thieves, no robbers in the state, because the economic condition is good, then these citizens attend regularly to their own occupation and create no hindrance and troubles to the kingdom.

Thus, It would be said that there cannot be good government without good economic background. The salient feature of Buddhist macroeconomics is that the governor of the state should adopt either the righteous-based economic system or the righteousness based political system; on the other hand, the citizen of the state should abide by law and order of the state and follow right livelihood.

2. Buddhist Micro-Economics

As stated above, the Buddhist micro-economics could be seen through the two dimensions of the Buddhist doctrines. One is the codes for the monastic Order (*Sangha*) that the Buddha prescribed for the lifestyle of monks and nuns in their life, second is the way to live appropriately for the individuals in society, the Buddha give advices to the people in many occasions. From now on, we shall discuss these two kinds of Buddhist micro-economics--The monastic order way of living and the individual way of living.

2.1 the Monastic Order Way of Living

The Buddha lays down the *Vinaya* or monastic codes for the monastic Order (*Sangha*) for the Buddhist monks and Buddhist nuns for the sake of their happy lives throughout. There are four requisites in monastic codes--food,

clothing, shelter and medicine. In essence, all of the teachings concerning the four requisites are nothing but the teachings of economics (P. A. Payutto, 1998 : 29-30). According to the Buddhist monastic tradition, having obtained the four requisites for livelihood from the support of laypersons, the monks have to reflect them wisely before using them. In other words, the monks should utilize the requisites for the sake of living only. They have utilized them not for maintaining a beautiful physique, not for the enjoyment or entertainment of life.

Buddhist monks are always advised by the Buddha to reflect wisely before utilizing the four requisites viz. the robe, food, lodging and medicine whatsoever obtained, whether they are good or bad. It is rightly said that the Buddha is the religious leader who is the advocate of the austerity and introduced it into the disciplines of the Order. Further, the economic concept of Buddhism is introduced on the line with the concept of moderation (*mattaññutā*). The moderation is not only the principle to be observed by the monks, but laypersons as well.

Therefore, the livelihood of the monk is set to be the model for the laypersons; they can have only a few types of equipment that they can carry with them, as the Buddha states: “The monk is content with sufficient robes to protect the body and sufficient alms food for his body’s needs. Wherever he may go, he takes just these with him, just as a bird on the wing, wherever it may fly, flies only with the load of its wings.

To summarize, the Buddhist economics as depicted in the code of conduct of the monastic order, especially to that of the four requisites of living, viz. robe, food, shelter, and medicine. The livelihood of the Buddhist monks depends solely on the layperson’s support, and therefore, their livelihood should set a model and inspire respect and reverence by the laypersons. In this connection, there is a statement in the *Dhammapada*: “One should not despise what one has received, nor envy the gains of others. The monk who envies the gains of others does not attain to meditative absorption” and: “A monk who does not despise what he has received, even though it be little, who is pure in livelihood and unremitting in effort, him even the gods praise.”

2.2 The Individual Way of Living

1. Principle Conducive to Benefits in the Present (*Dīṭṭhadhammikatthasamvattanikadhamma*)

In the *ĀṅguttaraNikāya*. In this discourse, the Buddha explains in detail the ‘Principle conducive to the benefits of the present’ (*dīṭṭhadhammikatthasamvattanikadhamma*). These principles are mentioned as (i) Endowment of industry (*Uṭṭhāna-sampadā*), (ii) Endowment of protection (*Ārakkha-sampadā*), (iii) Association with good friends (*Kalyāṇamittatā*), and (iv) Balanced lifestyle (*Samajīvitā*).

a.) Endowment of Industry (*Uṭṭhāna-Sampadā*)

The first principle states that a man should be energetic, industrious apply oneself to one’s duties, and be responsible to one’s work in order to earn the

righteous livelihood through righteous action, righteous speech and righteous thought. A man trains himself in such a way that he acquires skills and true knowledge to manage and perform his work as the Buddha had mentioned this point in the *Dhammapada*: “Ever grows the glory of him who is energetic, mindful and pure in conduct, discerning and self-controlled, righteous and heedful.”

b) Endowment of Protection (*Ārakkha-Sampadā*)

This principle prescribed that a man has to protect or keep the properties or wealth that has already been earned through his righteous works and his own labor. He should not waste his wealth and lose it by carelessness, as it is said in the *ĀṅguttaraNikaya*: “Now how can I arrange so that rajahs may not get this wealth out of me, nor thieves filch it, nor fire consumes it, nor water carries it off, nor ill-disposed heirs make off with it?”

The Buddha further stated the principle leading to the prosperity and longevity of family, which is called ‘*Kula-ciratthiti-dhamma*’ (causes for a family’s prosperity and longevity). According to this principle, those householders who manage to attain prosperity and assure stability and longevity to their own families should adopt the four supportive means as the guidelines. These are described as, (i) seeking for what is lost, (ii) repairing what is worn out (iii) moderation in spending, and (iv) putting in authority a virtuous woman and man.

It is evident from the above passage that the householders, who are regarded as noble disciples, have to avoid the following six causes of ruin (*apāyamukha*).

- (i) To be addicted to drink and drugs.
- (ii) To be always revelling in nightlife.
- (iii) To be bent on entertainment.
- (iv) To be addicted to gambling.
- (v) To be kept in bad company.
- (vi) To be chronically lazy in doing work.

Specially, those householders who are the head of a family have to be aware of these dangers, and make sure that the economy of their family is stable and maintained properly. For, the stability of family leads to the stability of society, whereas squandering of wealth or property leads to the downfall of the society through lack of morality, low rate of education and depression of the economy.

c) Association with Good Friends (*Kalyāñnamittatā*)

This principle emphasizes that one who wants to attain prosperity, has to associate oneself with the good friend or company of high moral standard. One should make friendship with a person who is a well-wisher, who is faithful, virtuous, righteous, full of charity and full of wisdom etc., one should emulate whatever good deeds done by the wise. On the contrary, one should

not associate with and emulate a person who is unfaithful, wicked, and dim-witted and who is called ‘*bāla*’ (foolish man, childish).

d) Balanced life-style (*Samajīvitā*)

The term ‘*Samajīvita*’ literally means to live in accordance with one’s own means. This principle prescribes that one should know how to keep track of income and expenditure, and how to live without either deprivation or extravagance and how to save the income for a rainy day.

It is noteworthy that this is the principle of living within the means of avoiding extravagance and over-indulgence, of losing hard-earned money on gambling and other related anti-social activities, and of becoming or slave to greed and jealousy, and is applicable to society and people of all times. Blindly imitating the rich and the powerful and squandering of wealth on avoidable luxuries lead to economic imbalance and social injustice. When the earning or income is not enough for luxury spending, people take recourse to debt; the problem of debt may expand to the level of destroying the very life of man. A balanced life-style(*Samajīvitā*) as the principle of economics is indispensable for every householder.

The Means to Use Wealth (*Bhogādiya*)

In the *ĀnguttaraNikāya*, the Buddha explained that the wealth that has been already acquired through one’s own labour has to be utilized for the benefits of oneself and others. According to this discourse, the noble disciples who have already acquired the wealth through the righteous means have to utilize their wealth in five ways as shown below:

- (i) He makes himself, his parents, wife, children, slaves and work folks happy, glad, and sustains that great happiness.
- (ii) He makes friends and companions happy and glad and keeps them.
- (iii) He uses the wealth to safeguard his well-being and to make protection from dangers such as fire, water, robbers and so on.
- (iv) He makes the five oblations or sacrifices; that is, offer oblation in five ways, namely: (i) supporting relatives (*ñāti-bali*), (ii) receiving guests (*atithi-bali*), (iii) making merit or offering in dedication to one who had passed away (*pubbapeta-bali*), (iv) supporting the government through taxes and so on (*rāja-bali*), and (v) making offering to the deities; that is, contributions made in accordance with his faith (*devatā-bali*).
- (v) He holds in high esteem the monks and priests who are righteous and honorable; who bring happiness, leading heavenward for all and who abstain from pride and indolence .

From the above passage, it is suggested that the householders should show their broader mind to the members of one’s own family and then extend it to the members of the society. Giving the first hand treatment to one’s own family members should not be misinterpreted as the narrow mind, but it is a fact that one should treat family members first and then extend the help to members in the

society or the nation. Having used the wealth in such a way, even though his wealth has been exhausted, he can be satisfied that his wealth has been rightfully used for beneficial purposes, thus he is free of remorse.

The Four Kinds of Householder's Happiness (*Kāmabhogī-Sukha*)

As far as the happiness of the householder is concerned, there will be four kinds of happiness which are to be expected by the householders (*Kāmabhogī-sukha*), as being the result of meritorious actions done by them. The Buddha enumerates these kinds of happiness in the *ĀṅguttaraNikāya*. These are described in series as follows:

a) Happiness of Ownership (*Atthi-Sukha*)

The first kind of happiness is the pride, satisfaction and security of having wealth; a householder possesses wealth obtained through his own diligent labour, acquired through the strength of his own arms and the sweat of his own brow, rightly acquired, rightly gained

b) Happiness of Enjoyment (*Bhoga-Sukha*)

The second kind of happiness is the pride and satisfaction of the householder who uses the wealth obtained rightly to hold up himself, his family, and others who are related to him and uses it for meritorious deeds. A householder consumes, invests in business and derives benefit from the wealth that has been obtained by his own diligent labour. Thus, the householder experiences pleasure and experiences happiness.

c) Happiness of Freedom from Debt (*Anāya-Sukha*)

The third kind of happiness is the pride and satisfaction of the householder who has freed himself from the debt; he is not indebted to anyone. In fact, debt is considered as causing of suffering to a householder as the Buddha says, 'the debt is the suffering in the world'. Really speaking, a householder who released himself from being the debtor is the happiest householder. He experiences pleasure and happiness, reflecting that, 'I owe no debts, be they great or small, to anyone at all'.

d) Happiness of Blamelessness (*Anavajja-Sukha*)

The fourth kind of happiness is the pride and satisfaction of the householder who has conducted himself honestly, faultlessly and blamelessly in respect to action, speech, and thought. A householder who is regarded as the noble disciple stands for blameless actions, blameless speech, and blameless thoughts

According to the Buddhist doctrine, the wealth and fame, for those householders who have realized the real values of life, seem to be impermanent things and virtues such as right action, right thought, right view, right concentration, right speech, and right livelihood have pivotal significance. Conclusively speaking, neither wealth nor fame is regarded as high value by the Buddha.

It should be noted here that the four kinds of happiness stated by the

Buddha remain to be universal truths even in the present time. For example, in the first kind of happiness, it is impossible for an ordinary man to obtain happiness without wealth as far as the livelihood of common person is concerned. As the fundamental needs of human beings are food, robe, residence and medicine and all of these needs may be obtained through the power of the wealth, the wealth is of prime importance for livelihood of a common householder. However, a man who has the wealth that has been obtained through wrong courses such as stealing, robbing, corruption and so on, even though the amount of the wealth derived from the wrong means may be more, would find it difficult to secure happiness through his wealth. We can easily find good examples of this instance from our society. For instance, in spite of possessing large amounts of wealth, men are not able to find the solution to the problem of property distribution and resort to commit suicide in order to avoid the problems. We may conclude here that, according to Buddhism, though the wealth is not the final answer to justify the real happiness in life of human beings, yet wealth is necessary for subsistence. It can be pointed out that happiness, for all common householders, is chiefly from the wealth, and THAT wealth must be obtained through his own diligent labour, acquired through the strength of his own arms and the sweat of his own brow rightly by good action, good speech and good thought only.

Conclusion

In the end of this section, the Right Livelihood (*SammāAjīva*), the one factor on the Noble Eight-fold Path, also should be mentioned as the Buddha's teaching with regard to economic thought. E. F. Schumacher declares: "The Right Livelihood is one of the requirements of the Buddha's Noble Eight-fold path. It is clear, therefore, that there must be such a thing as Buddhist economics." There is no doubt that the right livelihood involves directly with other virtues such as right action, right speech, and right thought. For right livelihood, the Buddha declares that Buddhist laypersons should avoid the wrong trades such as trading in weapons, trading in human being, in meat, in intoxicants, and in poisons. Moreover, the Buddha cared for the welfare and benefit of everyone in society and his doctrine is meant for social improvement.

To sum up, Buddhist Economics is the Middle path economics that does not harm oneself or others. From a Buddhist perspective, economic principles are related to the three interconnected aspects of human existence: human beings, society and the natural environment. Economic activity must take place in such a way that it doesn't harm oneself (by causing a decline in the quality of life) and does not harm others (by causing problems in society or imbalance in the environment).

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