

BUDDHIST ECONOMICS

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Translator's Foreword

These days Buddhist meditation techniques are well-known in the West and Buddhist insights into the human condition are, at least in academic circles, exerting a growing influence. Unfortunately the popular image of Buddhism is often an overly-austere one and many people still consider it to teach a denial or escape from worldly concerns into a private, hermetic realm of bliss. However, if we take the trouble to go to the words of the Buddha himself, we find a full and rich teaching encompassing every aspect of human life, with lots of practical advice on how to live with integrity, wisdom and peace in the midst of a confusing world. Perhaps it is time for such teaching to be more widely disseminated.

In this small volume, Tan Jow Khun Phra Devedhi (Bhikkhu Payutto) offers a Buddhist perspective on the subject of economics. While not seeking to present a completely comprehensive Buddhist economic theory, he provides many tools for reflection, ways of looking at economic question based on a considered appreciation of the way things are, the way we are. I hope that by making this work available in English it may go at least a short way towards resolving what has been called the current 'impasse of economics', and to awaken readers to the wide-reaching contemporary relevance of the timeless truths that the Buddha discovered and shared with us.

Bangkok
May 1992

- *Dhammavijaya*

Preface

In its original Thai version, this book is a transcript of a lecture given at Thammasat University on 5th March 1988, on the occasion of the 72nd birthday of Dr. Puey Ungpakorn, former Rector of the university and President of the Bank of Thailand.

Dhammavijaya, having read the Thai version, felt it to be a book that would be appreciated by many English speakers and so prepared this translation. Apart from the translation itself, he also offered useful suggestion for minor additions to the text in order to clarify certain points for Western readers.

I would here like to express my appreciation of the efforts of Dhammavijaya to make these teachings available to a wider audience and to the Buddha Dhamma Foundation for arranging the printing.

Bhikkhu Payutto

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BUDDHIST ECONOMICS

In a discussion of Buddhist economics the first question that arises is whether such a thing as Buddhist economics actually exists, or whether it is even a possibility. At present the economics that we are acquainted with is a Western one. When talking of economics or matters pertaining to it, we use a Western vocabulary and we think within the conceptual framework of Western economic theory. It is difficult to avoid these constraints when coming to talk about a Buddhist economics. So perhaps we will find ourselves in fact discussing Buddhism with the language and concepts of Western economics. At any rate, by reflecting on this matter we may at least get some food for thought. Even if it is not a true Buddhist economics that is put forth here, it may provide some Buddhist perspectives on things that may be usefully employed in economics.

In the mid-'70's a Western economist, E.F. Schumacher, wrote a book called "Small is Beautiful", the fourth chapter of which dealt with the subject of Buddhist economics. The book as a whole, but especially that chapter, gave many people, both in the East and the West, an interest in those aspects of the Buddhist teachings that relate to economics. We owe a debt of gratitude to Mr.

Schumacher for creating that interest. However, if we consider the point more deeply, we may see that both the writing of "Small is Beautiful", and the subsequent interest in Buddhist economics shown by Western academics, took place in response to a crisis. At the present time, Western academic disciplines and conceptual structures have reached a point which many feel to be a dead end, or if not, at least a turning point demanding new paradigms of thought and methodology. It is felt that the presently existing disciplines are unable to completely resolve the problems now facing the world-new ways must be found. Such feelings have prompted a number of people to search for ways of thought outside of their own disciplines, which has led in turn to the interest in Buddhism and other traditional Asian philosophies which is so apparent at this time.

In his essay on Buddhist economics Mr. Schumacher looks to the Buddhist teaching of the Noble Eightfold Path to make his case. He affirms that the inclusion of the factor of Right Livelihood in the Eightfold Path, in other words the Buddhist way of life, indicates the necessity of a Buddhist economics. This is Mr. Schumacher's starting point. However the nature of his views, and of Buddhist economics as he sees it, are subjects that I would like to leave for the moment.

I would first like to relate a story that appears in the Buddhist scriptures. In fact it is an event which took place in the Buddha's lifetime. It indicates many things about

Buddhist economics, which the reader may be able to workout for himself. The story goes like this: one morning while the Buddha was residing in the *Jetavana* monastery near the city of *Sāvattihī*, he was able to perceive with his psychic powers that the spiritual faculties of a certain poor peasant living near the city of *Ālavī* were mature enough for him to understand the teachings, and that he was ripe for enlightenment. It would be appropriate to go to teach him. So later that morning the Buddha set off walking to *Ālavī*, some 30 *yojanas* (about 48 km.) away. The inhabitants of *Ālavī* held the Buddha in great respect and on his arrival warmly welcomed him. Eventually a place was prepared for everyone to gather together and listen to a discourse. However, as the Buddha's particular purpose in going to *Ālavī* was to enlighten this one poor peasant, he waited for him to arrive before starting to talk.

The peasant heard the news of the Buddha's visit, and since he had already been interested in the Buddha's teaching for some time he wanted to go and listen to the discourse. But it so happened that one of his cows had just disappeared. He wondered whether he should go and listen to the Buddha first and look for his cow afterwards, or to look for the cow first. He decided to look for the cow first and quickly set off into the forest to search for it. Eventually the peasant found his cow and drove it back to the herd, but by the time everything was as it should be, he was very tired. The peasant thought to himself, "time is getting on, if I go back home first it will waste a lot of time. I'll just go straight into the city to listen to the Buddha's dis-

course." Having made up his mind, the poor peasant started walking into *Āḷavī*. By the time he arrived at the place set up for the talk, he was exhausted and very hungry.

When the Buddha saw the peasant's condition he asked the city elders to arrange some food for the poor man. When the peasant had eaten his fill and was refreshed the Buddha started to teach and while listening to the discourse the peasant realized the fruit of 'Stream Entry', the first stage of enlightenment. The Buddha had fulfilled his purpose in travelling to *Āḷavī*.

After the talk was over the Buddha bade farewell to the people of *Āḷavī* and set off back to the *Jetavana* monastery. During the walk back the monks who were accompanying him started to critically discuss the day's events. "What was that all about? The Lord didn't quite seem himself today. I wonder why he got them to arrange food for the peasant like that, before he would agree to give his discourse." The Buddha, knowing the subject of the monks' discussion turned back towards them and started to tell them his reasons, and at one point in his explanation the Buddha said, "when people are overwhelmed, and in pain through suffering, they are incapable of understanding Dhamma." Then the Buddha went on to say that hunger is the most severe of all illnesses and that conditioned phenomena provide the basis for the most ingrained suffering. Only when one understands these truths will one realize the supreme happiness of *Nibbāna*.

All the major points of Buddhist economics appear in this tale. They will be elaborated on below.

Limitations of economic theory in the Industrial Age.

(1) Specialization.

At the present time economists consider economic activity in isolation, without reference to other forms of human activity or to other academic disciplines. This specialization is one of the characteristics of development in the Industrial Age. Consequently, when looking at human activity, economists try to eliminate all non-economic aspects or standpoints from their considerations and concentrate on a single perspective: that of their own discipline. The isolation of economic questions from their wider context may be taken to be the primary cause of many of the problems that currently beset us.

In Buddhism, economics is not separated from other branches of knowledge and experience. In efforts to remedy the problems of the human race, economic activities are not abstracted from activities in other fields. Economics is not seen as an independent, self-contained science but as one of a number of inter-dependent disciplines working within the whole social/existential matrix. Ostensible economic activities are looked at from a number of different perspectives. Advertising may be taken as an example; speaking in purely economic terms, advertising consists of methods used to persuade people to buy things.

It leads to a rise in sales but as costs are increased makes goods become more expensive. But advertising is also bound up with popular values: advertisers must draw on common aspirations, prejudice and desires in order to produce advertisements that are appealing. Social psychology is employed to utilize popular values for economic ends. Advertising also has an ethical significance because of its repercussions on the popular mind. The volume of advertising may cause an increase in materialism, and inappropriate images or messages may harm public morality. On the political plane, decisions have to be made regarding policy on advertising — should there be any control, and if so, of what kind? How is one to achieve the proper balance between moral and economic concerns? Education is also involved. Ways may have to be found to teach people to be aware of how advertising works, to reflect on it, and to consider how much of it is to be believed. Good education should seek to make people more intelligent in making decisions about buying goods. So the subject of advertising demonstrates how activities prevalent in society may have to be considered from many perspectives, all of which are inter-related.

Specialization can be a great benefit so long as we don't lose sight of our basic goal. The various disciplines are intended to be different constituents of a complete response to human problems. If the extent of each discipline's responsibility is fully determined, then that responsibility can be fulfilled and the point of contact between disciplines be more clearly defined. Then a more con-

certed effort to relieve human suffering will be possible, one which will have better results than are being achieved at present. The error lies in our pride, taking our own discipline to be capable of solving all difficulties by itself. Not only is it a mistaken notion but it prevents a successful solution of the problems at hand. If this point is accepted then we must find exactly where economics connects with other sciences, disciplines, and human activities. Where does economics connect with education, and ethics, in dealing with human problems? If these points of contact can be clarified then it would be possible to find the true value of specialization.

Mr. Schumacher's point that the existence of Right Livelihood as one of the factors of the Eightfold Path necessitates a Buddhist economics has further implications. Firstly, it indicates that Right Livelihood (or economics) must be considered of great importance in Buddhism for it to be included as one of the path factors. It shows that Buddhism accepts the significance of economics. Secondly, and conversely, it means that economics is taken to be merely one amongst a number of factors (traditionally eight) that comprise a right way of life, i.e. one capable of solving the problems facing humanity.

Not free of ethics, but inattentive to them.

A solution to the problems facing humanity requires the presence of many contributing factors, one of which is ethics, a subject of particular relevance to myself

as a Buddhist monk. I would like to discuss ethics here in light of its relationship to economics, so that it may serve to illuminate the connection between the different components of a right way of life. We have already seen the great importance of this relationship on a general level, so let us now take a look at some particular cases that illustrate the nature of this relationship and its significance.

Ethics (or the lack of them) affect economics both directly and indirectly. If, for example, a particular area is unsafe, if there are robbers, and a lot of violence, and if lines of communication are unsafe—then it is obvious that businesses will not invest there, tourists will not want to go there, and so on. The economy of the area is thus adversely affected. This is a phenomena that is easily observed.

In a public transport system, if the staff, the ticket-collectors and the passengers are all honest then not only will the government receive its full revenue, but it may also be able to save on inspections. If the passengers' honesty can be relied upon, then it may be possible to substitute ticket machines for collectors. When people are self-disciplined and help to keep their surroundings clean and litter-free the municipal authorities may not have to waste so much of their funds on trash-collection and other cleaning operations.

Conversely, if businesses are overly greedy and attempt to fatten their profits by using sub-standard ingredients in foodstuffs, e. g. putting cloth-dye as a coloring in

children's sweets, substituting chemicals for orange juice, or putting boric acid in meatballs (all of which have occurred in Thailand in recent years), consumers' health is endangered. The people made ill by these practices have to pay medical costs. The government has to spend money on police investigations and the prosecution of the offenders. Furthermore, people whose health has suffered work less efficiently, causing a decline in productivity. In international trade, those who pass off shoddy goods as quality merchandise risk losing the trust of their customers and foreign markets—as well as the foreign currency obtained through those markets.

The freedom of the free market system may be lost through businesses using unscrupulous means of competition; the creation of a monopoly through influence is one common example, the use of thugs to assassinate a competitor a more unorthodox one. The violent elimination of rivals heralds the end of the free market system, although it is a method scarcely mentioned in the economics textbooks.

Western companies send medicines to third-world countries that they are forbidden from selling in their own countries. Those so-called 'medicines' endanger the health and lives of any who consume them. In economic terms, it causes a decline in the quality and efficiency of labour while also necessitating increased expenditure on health care, which is a drain on the nation.

Businesses use advertising to stimulate desire for

their product. Advertising costs are included in capital outlay and so are added to the price of the product itself. Thus people tend to buy unnecessary things at prices that are unnecessarily expensive. There is much waste and extravagance. Things are used for a short while and then replaced, although still in good condition. This is a waste of economic resources and its existence is related to the common penchant for flaunting possessions and social status. Businessmen are able to exploit such desires to make more money out of their customers because people who like to show off their possessions and status tend to buy unnecessarily expensive products without considering their quality. They take snob-appeal as their criteria, considering expense no object. Worse than that there are people in Thailand today who, unable to wait until they have saved enough to afford some new product, rush off and borrow the money, plunging themselves into debt. Spending in excess of earnings has serious ill-effects. Eventually the person's status that the object is meant to exalt, declines, along with the country's economy as its balance of trade with other countries goes into the red.

A person in the business world once said to me that in Thailand if one saw a Sikh riding on a motorbike one could safely assume that he was a wealthy man. If he was driving a car one could take it for granted that he was a millionaire. But if one was to go into the provinces one would find that 50% of the Thais who ride motorbikes have bought them on credit. This economic phenomena is also a matter of social values. It is the same with the

purchase of cars. Quite poor people buy cars on borrowed money or pay for them in installments. So there are cars everywhere, which gives rise to the problem of traffic congestion with all its attendant ill effects on the economy until eventually there is turmoil. Economics cannot be divorced from social matters. The love of flaunting and ostentation is prominent in Thailand. Some people, although reasonably well-off, will refuse to pay a few dollars for a ticket to a show. In order to show off their connections they will find a way to get a complimentary ticket. Then they will swagger into the show flashing their free ticket. On such occasions they are not willing to part with even a dollar or two. But the same people, in order to show off their prestige or social standing, may arrange a lavish party for a huge number of people and spend thousands of dollars. This character trait, or this sort of value system, has a great effect on the economy. Sometimes when Western economists come to Thailand and encounter this phenomena they say that it just knocks them flat. They can't see how to solve the country's economic problems. When they meet these strange new mental sets and ways of behavior they are baffled as to how to find a solution.

In economic matters we must consider the various factors that have come to be involved with them, an important one of which is confidence or belief. We need to have confidence in the banks, confidence in the stock market. At any time when there is a loss of confidence then the stock market may crash and banks go into liquidation.

Even confidence in the sense of belief in the claims of advertisers has effects on the economy. But confidence is also conditioned by other factors. Its presence or absence is often the result of deliberate manipulation by business interests.

In the workplace, if the boss is responsible, capable and kind, and commands the confidence and affection of his or her employees, and the employees are harmonious, diligent, and committed to their work, then production will be high. There have been cases where the employer has been such a good person that when their business failed and came close to bankruptcy, the employees sympathetically made sacrifices and worked as hard as possible to make the company profitable again. In such cases, employees have sometimes been willing to take a cut in wages, rather than just making demands for compensation.

So abstract human values become economic variables. We can clearly see that industriousness, honesty, devotion to work and punctuality have great effects on both productivity and efficiency. Conversely, boredom, cheating, dishonesty, discrimination, discouragement, conflicts, even private depressions and anxieties have adverse effects on productivity, and this point is important.

On a broader level, nationalism is significant. If a sense of patriotism can be instilled into the people, they may be led to refuse to buy foreign goods, even if those

goods are of high quality and there are inducements to buy them. People are able to put aside personal desires out of regard for the greatness of their nation, and only use things made within their country. They wish to help production so that their country can prosper and become a major force in the world. It may reach the point, as in Japan, where the government has to try to persuade people to buy products from abroad. Nationalism is thus another value system that effects economics.

Unable to be a science, but wanting to be one.

The large number of examples I have given so far have been intended to demonstrate the intimate and significant effect that ethics and values have on economics. However ethics, i.e. questions of good and bad are only one aspect of Dhamma.* The relationship of Dhamma to economics is not confined to the sphere of ethics. Another way that Dhamma is connected with economics is with regards to the true nature of things, the natural condition of phenomena. In fact this aspect is even more important than ethics, because it concerns the very heart or essence of economics. The word 'Dhamma' is here used to mean the truth, or in other words the complex and dynamic process of cause-and-effects that constitutes our world. If economics does not fully know, understand and address itself to the whole causal process, economic theory will be

* The teachings of the Buddha or 'the way things are'

unable to produce solutions to problems that arise, or produce the salutary effects that it desires. It will be an economics that is not in harmony with 'the way things are' (*Saccadhamma*).

'The way things are' refers to the nature of nature, i.e. the true mode of existence of phenomena, and it encompasses all aspects of theory and practice. It is not the subject of any particular branch of knowledge, but is the very essence of science or the essence that science seeks to discover. The contemporary trend towards division and separation of the different aspects of a complex subject, one that has even reached treatments of the Dhamma, is a dangerous one and may lead us to stray from the truth. It is another important point that must be understood.

Economics has been said to be the most scientific of the social sciences. Indeed, economists are proud of how scientific their subject is: that they take only those things which can be measured and quantified into their considerations. It has even been asserted that economics is purely a science of numbers, a matter of mathematical equations. In its efforts to be a science, economics tries to eradicate all questions of abstract values as unquantifiable, and seeks to be value-free. But in opposition to this trend, some critics of economics, even a number of economists themselves, say that actually, of all the social sciences, economics is the most value-dependent. It may be asked how it is possible for economics to be a value-free science when its starting point is the perceived needs of

human beings, which are a function of the value-systems of the human mind. Furthermore, the end-point or goal of economics is to answer those perceived needs to peoples' satisfaction and satisfaction too is an abstract value. So economics begins and ends with abstract values. Economic decisions concerning production, consumption, etc. are largely value-dependent, as for example in debates over the granting of mining concessions in national parks. Consequently, it is impossible for economics to be value-free, and it is this dependence on values that disqualifies economics from being a complete science.

Two further points may be made in this connection, the first being that economic principles and theories are full of unverified assumptions, and that a science cannot be so based. It is an important objection. Secondly, it is not such a good thing for economics to be a science anyway. Science has too many limitations to be able to solve all the problems of humanity. It shows only one side of the truth, that which concerns the material world. If economics actually became a science then it would be pulled along the same pathway as science, and then would be restricted in its ability to remedy human suffering.

The best attitude for economics is to see and accept the truth of things. The attempt of economics to be scientific (i.e. exact and precise) is one of its good points and should be maintained. However, at the same time, for any real or effective answer to human suffering, particu-

larly at the present time which is a 'turning point' for human society. economics should surely open itself up to co-operation with other disciplines. It should cast a wider, more comprehensive eye on the question of values. **As** soon as values have been accepted as legitimate objects for consideration, then they become factors to be studied in accordance to their proper status, enabling the whole causal process to be seen. But if values are not studied then economics can never be scientific because it cannot develop any understanding of the whole causal process of which values form an integral part.

At present economics only accepts certain sorts or aspects of values as being relevant to it. It does not study the whole range of value systems. Errors are made, for instance, in economic forecasting, when the factor of values comes into play at a much more significant level than economics is willing to allow for. To give an example: one principle of economics is that people will only agree to part with something when they can replace it with something that will afford them equal satisfaction. Here an objection might be made that this is not invariably true. Sometimes we can experience a sense of satisfaction by parting with something without getting anything tangible in return, as when parents out of love for their children may give them something as a gift without expecting anything back. **They** feel satisfied, more so perhaps than if they had received something in return, the cause being of course, the love they feel for their children. If human beings could expand their love of others, not confining it

to their own families, but feeling love for all other people then they might be able to part with things without receiving anything in return, and experience more satisfaction than before. They would not only not be deprived of satisfaction, or just receive a compensatory amount, but they would actually experience much more satisfaction. This too is an example of how values can effect economic matters.

Another economic principle states that when prices go down, people buy more; when prices go up, people buy less. That is generally the way that things happen. If prices are lowered, peoples' purchasing power increases. They buy more, and the number of consumers increases. But that is not always the case. If one knows that the members of a society are given to ostentation and flaunting of possessions as status-symbols, then one can make use of that tendency to induce people to **think of** expensive goods as trendy. People are led to believe that whoever is able to buy such and such an expensive object will stand out from the crowd and be a **member** of high society. Then it occurs that the more that one raises the price, the more people buy that commodity, because of their desire to be fashionable or to be identified with a certain social group.

In fact, there are numerous examples which economics itself uses to demonstrate how the values of a society determine prices, one of which concerns two men shipwrecked on a desert island. One man has a sack of dried rice and the other a hundred gold necklaces. **Ordi-**

narily a single gold necklace would be enough, more than enough, to buy a whole sack of dried rice. But now the two men find themselves stranded on an island with no means of escape and no guarantee of any ship coming along to rescue them. The value of the goods changes. Now the person with the rice might purchase all one hundred gold necklaces for a mere portion of the rice, or he might refuse to make the exchange at all. So the value of goods is a function of demand.

However, what I wish to point out here is that economics must distinguish between the various kinds of demand and deal with the question of the quality of demand. Economics replies that its not our business, we are only interested in demand, its quality does not concern us. But in fact the quality of demand or want does affect economics. In the example given above there are other possibilities besides trade. The man with the gold necklaces might take advantage of a time when the owner of the rice is not present to steal some or he might just kill the owner in order to get the whole sack. On the other hand, the two men might become friends and help each other out, so that there is no need for any buying or selling or bartering at all; they might just share the rice until it's all gone. It could happen in any of these ways. So factors such as personal morality or emotions such as greed and fear can affect the economic outcome. A demand that does not balk at violence or theft will have different results from one that recognizes moral restraints.

In order to show that economics is a science, that it is objective and doesn't get mixed up with subjective feelings and values, economists will sometimes give various examples to back up their arguments. They say, for instance, that a bottle of alcohol and a pot of Chinese noodles may have the same economic value, or that going to a night club may contribute more to the economy than going to listen to a Dhamma discourse. These are truths according to economics. They take no values whatsoever into account. Economics will not look at the benefits or harm that come from a particular commodity, activity, production, consumption, or trade. Neither the vices associated with the frequenting of night clubs nor the knowledge and wisdom arising from listening to a Dhamma talk, are its concern. Others may look at things from those standpoints but economics will have nothing of it.

Thoroughly reflecting on the leading cases above one sees that the scientific nature and objectivity of economics is rather narrow and superficial. Economists look at just one short phase of the natural causal process, as if just cutting out the part that they are interested in, without paying attention to the whole stream of causes and conditions in its entirety. This is a characteristic of economics in the industrial era which prevents it from being a true science and from being adequately objective. However certain contemporary trends seem to indicate that economics is starting to expand its vision to encompass more of the causal process, and is consequently moving into accordance with reality.

The first thing to consider is what economic costs may arise from harm to the consumer's well-being. Let us return to the example of the bottle of alcohol and the pot of Chinese noodles. We can see that, though their market prices may be the same, their economic costs are not equal. The bottle of alcohol may damage the person's health, forcing him to spend money on medical treatment. The distillery which produced the alcohol will probably have released foul-smelling fumes into the air, which can be dangerous to health, causing cold sores, for instance. The pollution of the environment causes a natural degradation that has economic effects. It may force the government to devote resources to remedying environmental problems. The one who drinks the alcohol might crash his car as a result, incurring more economic costs. And of course there are the detrimental social effects: drinking can cause crime, and crime's costs are very high. Also, intoxication will mean that the one who drinks will have poor mindfulness, making him less efficient at work.

Every one of the above points is concerned with economics. They imply the necessity of looking at economic costs on a much wider scale than at present, not just in terms of market prices. There is now a trend towards including environmental costs in calculations of economic cost. Some economists even include them in the price of the finished product. But it is not really enough. In the case of the bottle of alcohol, apart from the environmental costs there are also the social, moral, and health costs (i.e. crime, efficiency of production, etc.) which all

have economic implications.

Lack of clarity in its understanding of human nature.

Having shown how economics is related to other matters, particularly values, and how it is affected by other things we may now turn to another important problem — that of an understanding of human nature. It is an extremely important matter. All disciplines must be founded on an understanding of human nature. If any discipline errs with its understanding, then it will be unable to reach the complete truth and be unable to really solve the problems of humanity. So on the matter of human nature, what is the understanding of economics, and what is the understanding of Buddhism and Buddhist economics? I have already mentioned that economics looks at the phenomena of human demand or want, but looks at only one side of it, refusing to take into account the quality of demand. If that is true, and the quality of demand is a natural phenomena then it means that economics refuses to consider a truth that lies within the nature of things. That being so, then one must further question economics as to how it could be a discipline and how it could give a complete answer to human problems. The only possible defense is that economics is just a specialized discipline that must cooperate with the other relevant disciplines.

Want.

I would like to begin dealing with the subject of

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human nature by looking at demand or wants. Modern economics and Buddhism both agree that mankind has unlimited wants. there are a great number of sayings of the Buddha concerning this point, e.g. '*natthi taṇhā-samā nadī*' - there is no river like craving. Rivers can sometimes fill their banks but the wants of human beings never come to an end. In some places in the Buddhist texts it says that even if money were to fall from the skies like rain, man's sensual desires would not be fulfilled. Elsewhere the Buddha says that if one could magically transform a whole mountain into solid gold ore it would still not provide complete and lasting satisfaction to even one person. Thus, there are a large number of teachings in the Buddhist tradition that deal with the unlimited nature of human want. Here I would like to relate a story that appears in the *Jātaka* Tales.

In the far and ancient past there lived a king called *Mandhiitu*. He was a very powerful ruler, an emperor who is known in legend for having lived a very long life. *Mandhātu* had all the classic requisites of an emperor; he was an exceptional human being. He had everything that anyone could wish for. He was a prince for 84,000 years, then the heir apparent for 84,000 years, and then emperor for 84,000 years. One day, after having been emperor for 84,000 years, King *Mandhiitu* started to show signs of boredom. The great wealth that he possessed was no longer enough to satisfy him. The King's courtiers saw that something was wrong and asked what was ailing his Majesty. He replied, 'The wealth and pleasure I enjoy here

is trifling: tell me, is there anywhere superior to this?' 'Heaven, your Majesty," the courtiers replied. Now, one of the King's treasures was the cakkaratana, a magic wheel shaped object that could transport him anywhere at his command. So King **Mandhātu** used it to take him to the Heaven of the Four Great Kings. The Four Great Kings themselves came out to welcome him and on learning of his desire, invited him to take over the whole of their heavenly realm.

King **Mandhātu** ruled over the Heaven of the Four Great Kings for a very long time until one day he began to feel bored again. It was no longer enough, the pleasure that could be derived from the wealth and delights of that realm could satisfy him no more. He conferred with his attendants and was informed of the superior enjoyments of the **Tāvatiṃsā** Heaven realm. So King **Mandhātu** picked up his cakkaratana and ascended to the **Tāvatiṃsā** Heaven where he was greeted by its ruler, Lord Indra, who promptly made him a gift of half of his kingdom.

King **Mandhātu** ruled over the **Tāvatiṃsā** Heaven with Lord Indra for another very long time until Lord Indra came to the end of the merit that had sustained him in his high station, and was replaced by a new Lord Indra. The new Lord Indra ruled on until he too reached the end of his lifespan. In all thirty-six Lord Indras came and went while King **Mandhātu** carried on enjoying the pleasures of his position. Then, finally he began to feel dissatisfied, half of heaven was not enough, he wanted to rule over all

of it. So King **Mandhātu** began to think of how to kill Lord Indra and depose him. But it is impossible for a human being to kill Lord Indra, because humans cannot kill deities, and so his wish went unfulfilled. King **Mandhātu's** inability to satisfy this craving made it start to rot the very root of his being, and caused the aging process to begin. Suddenly he fell out of **Tāvātimsā** Heaven down to earth, where he landed in an orchard with a resounding bump. When the workers in the orchard saw that a great king had arrived some set off to inform the Palace, and others improvised a make-shift throne for him to sit on. By now King **Mandhātu** was on the verge of death. The Royal Family came out to visit and asked if he had any last words. King **Mandhātu** proclaimed his greatness. He told them of the great power and wealth he had possessed on earth and in heaven, but then finally admitted that his desires remained unfulfilled.

There the story of King Mandhatu ends. It shows how Buddhism shares with economics the view that the wants of humanity are unlimited or endless. But Buddhism does not stop there. It goes on to speak of two features of human nature that are relevant to economics and need to be understood. First, Buddhism distinguishes two kinds of want or desire:

(a) the desire for pleasurable experience (both physical and mental) together with the desire for the things that feed the sense of self, i.e. the cravings known in Buddhist terminology as *taṇhā*.

(b) the desire for true well-being or quality of life, (*chanda*).

The second point, also related to this principle of wanting, is that Buddhism holds that we are beings that have the ability to train and develop ourselves. Desire for well-being or for a quality of life indicates a desire for self-development or in other words the development of human potential. The one essential point of human development is thus the diverting, or exchanging of desire for things that provide pleasant experiences and feed the *sense* of self, into the desire for true well-being. Whereas the first kind of desire is unlimited, the second is not and therefore tends to be in frequent conflict with the first, as for example in the matter of eating. When we eat, both kinds of desire are present, although for most people the desire for well-being is not usually conscious; we tend only to be aware of the desire for pleasurable experience.

Why do human beings eat? Surely it is to nourish the body, to give it strength and good health. But the desire that arises in peoples' minds is for enjoyment, food that is 'good' in terms of taste. This desire may oppose the desire for well-being, and even destroy the quality of life. The desire for the experience of delicious flavours leads us to search for the tastiest food and it may be, for instance, that the most delicious food contains artificial additives which enhance the smell, colour, and taste of the food but are harmful to our body, and thus our well-being. Also, people who eat primarily for taste often eat immoderately. They

may eat so much that afterwards they suffer from indigestion and flatulence. In the long run they may become overweight, which is also dangerous to health. Food that provides well-being is usually quite cheap but food consumed to satisfy the desire for taste, or food that is currently fashionable, may be unnecessarily expensive. People endlessly pursuing their cravings may even spend as much as a hundred dollars a day on food.

So the two kinds of desire are in frequent conflict. The more that human beings seek to gratify their desire for pleasure the more they destroy their true well-being. The principle applies not only to the consumption of food, but to all human activities, even to the use of technology. We must learn how to distinguish between the two kinds of desire and then reflect on them wisely.

The principle of desire leads us to the subject of value, because desire (or demand) creates value. The two-fold nature of desire creates two kinds of value, which may be termed as true, and artificial value. The true value of something is decided by its ability to meet the desire for well-being, artificial value by its capacity to gratify the desire for pleasure. In any one object, the true value will tend to be outweighed by an artificial value created out of craving and conceit. Desire for the sensually appealing, or for trendy things to serve as status symbols together with popular values and prejudices all crowd into our reckoning of the value of things.

Consumption

The question of consumption is similar to that of value. We must distinguish what kind of desire our consumption is intended to satisfy. Is it in order to answer the need for things of true value, or in order to enjoy the pleasures afforded by false value. Consumption may be said to be the consummation of human economic activity, but the meaning ascribed to it by economic theory in the industrial era and that of Buddhist economics is not the same.

Consumption is the alleviation or gratification of desire, that much is agreed. From the perspective of economics, consumption is defined simply as the use of goods and services to satisfy wants. But now let us look at Buddhist economics. It defines right consumption as the use of goods and services to satisfy the desire for true well-being. In other words, it says that consumption must have a goal and a purpose.

Industrial era economics says demand \rightarrow consumption \rightarrow satisfaction, and that's the end of it, there's no need to know what happens afterwards. In this view consumption can be of anything whatsoever so long as it results in satisfaction. Economics does not consider whether or not human well-being is adversely affected by that consumption. Buddhism agrees with the basic concept of consumption but adds that human well-being must be augmented by the satisfaction of a demand. Consumption must have quality of life as its aim. This is the

difference of perspective.

Work and working.

'Work' and 'working' are also terms that are understood in different ways by conventional and Buddhist economics, and once more the difference is related to the two kinds of desire. In the case that work is connected with the desire for true well-being (which includes the desire for self-development and the development of human potentialities) then the results of the work immediately and directly correspond to the desire. Work is done with desire for the results of the work itself and so provides satisfaction. If however, the work is done with desire for the things that provide one with pleasure, then the results of the work itself are not what one desires. They are merely the conditions needed to acquire the things that one desires. Work then is seen as a matter of unavoidable necessity.

The difference between the two attitudes to work lies in that in the first case work is perceived as a potentially satisfying activity and in the second as a necessary chore. Modern Western economic theory is based on the view that work is something that we are compelled to do in order to obtain money for consumption. It is the time when we are not working, or "leisure time", when we may experience happiness and satisfaction. Work and satisfaction are considered to be separate and generally opposing principles. However, over the centuries, Western people

have become deeply inculcated with a love of work and thirst for knowledge so that they tend to work and study with determination and dedication, despite their negative ideas about work. But when a society lacking that firm cultural base takes up this view of work as a condition for the acquisition of money, then there will be detrimental effects on work, the economy, on individual lives and on society as a whole.

To give an example of the two different kinds of working, let us suppose that Mr. Smith is a researcher. He is seeking to discover natural means of pest control for agricultural use. Mr. Smith enjoys his work because the things he desires from it, knowledge and its application, are the direct fruits of his research. The advances he makes, and the increases in understanding he experiences, afford him a constant satisfaction. The growth of his knowledge and the clarity of his understanding continually add to the enjoyment Mr. Smith derives from his work.

Mr. Jones is a research worker in the same field as Mr. Smith. Mr. Jones works for money and promotions. Thus the results of the work itself, knowledge and its practical applications are not the results that he desires. They are merely the means by which he can ultimately get what he really wants, which is money and position. Mr. Jones doesn't enjoy his work, he does it because he feels he has to.

From this discussion of the nature of work, it may

be seen that work in the Buddhist sense, performed in order to meet the desire for well-being, can give a constant satisfaction. People are able to enjoy their work. In Buddhist terminology it is referred to working with '*chanda*'. But work with the desire for some pleasure or other is called working with *taṇhā*. People working with *taṇhā* have the desire to consume, so that while still working (and thus not yet consuming) they experience no satisfaction, and so are unable to enjoy their work.

It might be objected that not all kinds of work afford the opportunity for enjoyment and satisfaction. It is not merely the desire for pleasure that is the obstacle. Many jobs, especially in industry, are dull and undemanding or seem pointless. In others the physical conditions may be difficult, even dangerous to health. In such cases the boredom, frustration, and depression of the workers has negative effects on productivity. Buddhist economics points to the need to create jobs and organize production in such a way as to maximize the opportunities for workers to fulfill their desire for well-being. However, the basic point remains valid. The attitude we hold towards our work, whatever it is, is a major conditioning factor of the effect it has on us.

As regards the subjects dealt with above i.e. the nature of desire, of values, and of work, Buddhism accepts the fact that it is natural for people to have cravings for things (*taṇhā*). But at the same time Buddhism sees that human beings also have the desire for quality of life or

well-being, and that this second kind of desire, is an inherent true need of humanity. There is a desire for self-improvement and for the good. Consequently, Buddhism is not denying craving, but rather is looking towards transforming it as much as possible into the desire for well-being, and to make that desire for well-being lead to self-improvement. This change of meaning has significance for many other matters, even for example the definitions of wealth, goods and services, competition, and cooperation. When the foundation of things changes, everything changes.

Competition & Cooperation.

The view of economics is that it is human nature to compete. Buddhism, on the other hand, says that it is within human nature both to compete and to cooperate, and furthermore makes a distinction between true and artificial cooperation.

Competition is natural. When we are striving to satisfy the desire for pleasure we will compete fiercely, because at such times we want to get as much as possible for ourselves and we feel no sense of sufficiency or fullness. If we can get that object of desire all for ourselves and nobody else gets any of it, then so much the better. Inevitably competition is intense; it is natural to the mind driven by *taṇhā*. However the competitive instinct may be utilized to induce cooperation. One might get all the members of a particular group together in order to compete with another group. One might, for example, arouse or encourage the people of a country to be nationalistic and cooperate in refusing to buy goods from abroad. But that cooperation is based entirely on competition. Stimulation of the competitive instinct in such a way as to give rise to cooperation on one particular level is what Buddhism calls artificial cooperation.

True cooperation is that which takes place in the effort to meet the desire for quality of life. When human beings desire their true well-being they are able to cooperate to solve the problems of mankind. The potential for true cooperation lies within human nature. One form of

human development entails diverting humanity's energies from competition towards a cooperative effort to solve the problems facing the world. Thus for objects of true value we are able to cooperate, but for artificial values we will compete with all our might in order to lay our hands on the position or personal benefit that we crave.

Contentment & Consumerism

At this point I would like to introduce a few comments on the subject of contentment. Although it doesn't fit in exactly with the argument being put forward here, it is related to it, and as contentment is a virtue that has often been misunderstood, it seems to merit some discussion.

The question of contentment involves the quality of life and the two kinds of human want that have been discussed above. It is quite apparent that people who are content have fewer wants than those who are discontent. However a correct definition of the term must make the qualification that contentment implies only the absence of artificial want i.e. the desire for pleasure. The desire for true well-being remains.

Our misunderstanding of the meaning of contentment is due to the failure to distinguish between the two different kinds of desire. We lump the two kinds of desire together, and in proposing contentment, dismiss them both. A contented person comes to be seen as one who wants nothing at all. Here lies our mistake.

Thais believe themselves to possess the virtue of contentment, but research has shown them to be avid consumers. These two things are incompatible. Can you see the contradiction? Either Thais are not content or else they are not the big consumers they are said to be.

A criticism that has been made in the past, it might be called an accusation, is that the contentment of the Thai people makes them lazy and apathetic and so prevents the country from progressing. But one commentator holds that it is rather the Thais' penchant for consumption and dislike for production that hinders development. So one view is that it is contentment that retards development and another that it is the liking for consumption. Whichever is true, what is certain is that arousing people's desires for consumer goods does not invariably lead to an increase in production. The belief, once widely held, that economic development depends on encouraging spending and consumption, has not been borne out by the results. In Thailand it appears that problems have been aggravated — Thais now like to consume a lot but don't like to produce. We think only of consuming or possessing things, but not of making them ourselves. We want to have all the things that they have in developed countries, and feel proud that we live like people in those countries do, but we're not proud to produce those things as they do. It is this attitude that really obstructs development. It demonstrates that merely arousing desires in people without a correct understanding of human nature cannot provide satisfactory results. The desire to consume, once aroused, rather than leading

to an increase in production, leads instead to profligacy, debt, and crime: a development gone seriously awry.

Is it possible that Thais are both content and avid consumers after all? That we have been moving away from a traditional contentment and exchanging it for the values of consumerism? If that is the case then it means that in introducing the Western economic system into our society, we have applied it wrongly, and are now suffering the harmful results. Actually, if we Thais were really content in the correct way defined above, then it would enable us to support a steady and continual growth in production. The path from contentment to production would be similar to that taken by Western countries, where the Industrial Revolution was based on the Protestant work ethic.

The Protestant work ethic teaches virtues of contentment, economy and frugality, and encourages the investment of savings in order to increase production. It teaches people to love work and to work for work's sake. Westerners at the time of the Industrial Revolution lived with contentment but desired to produce. Instead of using their energies for consumption, they used them for production so as to promote industrial advance. We Thais also have a good foundation: we are content, we dislike extravagance, we're not obsessed with consumption, we know how to be economical and use things sparingly. What we need to do is to create and stimulate a love of work and a desire for accomplishment. Such a desire will

lead to production and will bear fruit in industrial development. So, in summary, contentment understood correctly means cutting off the first kind of desire, the artificial desire for sense-pleasure but actively encouraging and supporting the desire for quality of life.

In Buddhism, contentment is always paired with effort. The purpose of contentment is seen to be to save the time and energy lost in ministering to selfish desires, and using it to create and nurture true well-being.

There are many things that need to be said concerning production: it is a big subject. Consideration of the subject of production doesn't merely call for an understanding of human existence but demands a wide-ranging examination of the whole of nature. In economics, the work 'production' is deceptive. We tend to think that through production we create new things, when in fact we merely effect changes of state. We transform one substance or form of energy into another. These transformations entail the creation of a new state by the destruction of an old one. Thus production is almost always accompanied by destruction.

If economics was a true science it would not treat production in isolation. Production involves destruction and in some cases the destruction is acceptable, in others it is not. Consequently the point to consider regarding economic production is as to whether, in cases where the value of the thing produced is offset by the values of that which is destroyed, production is justified. In some cases

we may have to refrain from production in order to sustain the quality of life.

So in modern economics, consideration in terms of production or non-production alone is incorrect. Non-production can be a useful economic activity. We must examine the subject of production by dividing it into two kinds:

(a) **production** offset by destruction e.g. production entailing destruction of natural resources and environmental degradation

(b) production for destruction e.g. arms manufacture.

In (a) non-production is sometimes called for, and in (b) is always the better choice.

There is production with positive results and production with negative results; production that enriches the quality of life and that which destroys it.

In the economics of the industrial era the term production has been given a very narrow meaning. It is taken to relate only to those things that can be bought and sold—it is an economics of the market place. Thus if I make a table and chair at my monastery and then use it myself, economically speaking, I have not produced anything. A professional comedian goes on the stage and tells jokes. He relaxes the audience and gives them a good time. This is taken to be economically productive because money changes hands. However, someone working in an

office, who is of a very cheerful disposition, always saying and doing things to cheer and refresh those around them, so that their work-mates are free of tension (and feel no need to go and see a professional comedian), is not considered to have produced anything. We never consider the economic price of action and speech that continually creates tension in the work place, so that those affected have to find some way to alleviate it with amusements such as going to see a comedian. To give another example: a bull fight, where people pay money to see bulls killed, is called an economic production. a child helping an elderly person across the road is not.

Please give some thought to the cases mentioned above. They are examples that show the narrowness of economic thought and its definition of production. Buddhist economics expands its thinking more widely. In regards to this matter, if one looks for the 'invisible hand' of Adam Smith, one must complain that it doesn't function everywhere. The questions of wealth and economic growth must be reconsidered. What is the true purpose of economic growth anyway? Surely it must be to secure an increase in the quality of life.

The Major Characteristics of Buddhist Economics

(1) Middle-Way Economics: Realization of true well-being

An important characteristic of Buddhist economics is that it is a 'middle-way'. It might be called a middle-way economics. The Buddhist way of life is referred to as a path and each of the eight factors of the path is called '*sammi*', which means right or correct e.g. *sammi ijiva*: Right Livelihood. Each factor is *sammi* because it gives rise to the optimum benefit in its respective sphere. The path is a middle-way between too much and too little. It is just right. So the middle-way means 'just the right amount'.

Schumacher says that the presence of Right Livelihood in the Eight-Fold Path of Buddhism necessitates a Buddhist economics. What may be added to that statement is the fact that it also makes inevitable the presence of Wrong Livelihood. Similarly, right economic activity implies wrong economic activity. Here, a correct or 'right' economy is a middle-way economy. Buddhism is full of teachings referring to the middle way, the right amount, knowing moderation and all these terms may be considered as synonyms for the idea of balance or equilibrium. But what exactly do all these terms refer to? We may define 'the right amount' as the point at which human satisfaction and true well-being coincide i.e. when we experience satisfaction through answering the desire for quality of life. This point leads back to the subject of

consumption which was stated above to be the consummation of economics. Here we may go through the meanings of consumption once more. According to conventional economics, the term consumption refers to the use of goods and services to answer want and needs, so as to provide the highest satisfaction. However in the Buddhist system, consumption refers to the use of goods and services to answer wants and needs in ways that engender satisfaction at having increased the quality of life. In the Buddhist view, when enhancement of true well-being is experienced through consumption, then that consumption is said to be successful. If consumption issues merely in feelings of satisfaction, and those feelings are indulged without any understanding of the nature of that consumption or its repercussions, then according to Buddhist economics, it is incorrect. Satisfaction of desires may have harmful effects and may cause a decline in the quality of life.

Consumption can increase the quality of life and so form a basis for further developments of human potentialities which in turn ennoble life. Thus economics is related to the whole of human existence. That being so, if it is to have any authenticity, economics must play a part in the development of human potentialities and help mankind to be able to lead a noble life, to enjoy an increasingly mature kind of happiness. If it does not do so, then of what use is it to us?

That the consummation of economics lies in con-

sumption is brought out in Buddhist economics by the principle of *bhojane mattaññutā*. This is a teaching which appears throughout the Buddhist scriptures, even in the *Ovāda Pāṭimokkha*, the verses held to contain the heart of Buddhism where it is expressed as *mattaññutā ca bhattasmim*. 'knowing moderation in consumption'. Knowing moderation means knowing the optimum amount, how much is 'just right'. The principle of *mattaññutā*, of knowing the right amount, is an important one in Buddhism. It occurs in a wide range of contexts, for example as one of the seven virtues of the Good Man (or Woman) and is invariably present in any reference to consumption.

Mattaññutā is the defining characteristic of Buddhist economics. Knowing the right amount in consumption refers to an awareness of that optimum point where the enhancement of true well-being coincides with the experience of satisfaction. In the teachings that lay down the way in which monks and nuns should make use of the requisited offered to them, it is stressed that they should consider the reason and purpose of their consumption, as in the traditional formula: "*Paṭisaṅkhā yoniso piṇḍapātaṃ . . . ; wisely reflecting, I take almsfood.*" Whatever is consumed must firstly be reflected upon wisely. This principle is not restricted to monastics; it applies to all Buddhists. We should reflect intelligently on food—that the true purpose of eating is not for fun, for indulgence or the fascination of taste. We reflect that it is inappropriate to eat things just because they are expensive and fashion-

able. We shouldn't eat extravagantly and wastefully. We should eat so as to sustain our lives, for the health of the body, in order to eradicate painful feelings of hunger that have arisen and to prevent new ones (from overeating) arising. We eat so as to be able to carry on our lives in ease. We eat so that the energy we derive from the food can support a noble and happy life. Whenever we consume anything we should understand the meaning of what we are doing in this sort of way, and consume in such a way to experience results that conform to that purpose. 'Just the right amount' or the 'middle way' lies right here.

When a person reflects on consumption and understands that its purpose is to maintain health and support a good and happy life, then true well-being or quality of life will be what he or she desires from it. On consumption of a particular product or service, then that person will feel satisfied at having enriched the quality of their life. This is the meaning of *mattaññutā* or the 'right amount' that constitutes the middle way.

It follows from the above that economic activity is a means and not an end in itself. The economic results that are desired are not the real goal but a way to it, i.e. they are a supporting base for the process of human development that leads to a better life. In the case of food it means not just eating in order to enjoy the taste and get full, but eating one's fill so as to have the physical and mental energy to be able to give attention to and reflect on those matters that will increase one's wisdom. In the story related earlier, the

Buddha had food given to the poor peasant, not just in order to allay his hunger, but so that he could listen to a Dhamma discourse afterwards. Consumption is a means to an end.

Given these principles, certain subsidiary practices are implied. For instance, people who have enough food for their needs, are not encouraged to eat as much as they like, or just to follow their desires. What's more, praise is sometimes given to monks who only eat once a day. Economics, on the other hand, would praise those who eat the most; those who eat three or four times a day. If someone were to eat ten times a day, so much the better. But in Buddhism, given that eating once a day is enough to meet the need for true well-being, then those monks who do so are praised. It's not that getting down to eating one meal a day is the goal of course. If one didn't do anything afterwards to make use of that frugality then it would be pointless, just a way of mistreating oneself. Thus one must consider consumption as a condition for self-development.

Eating one meal a day is not a practice restricted to monks. On Observance days, Buddhist laypeople may take Eight Precepts for a day and a night, one of which is to refrain from eating after mid-day. Renunciation of the evening meal becomes an economic activity which is of benefit in the development of the quality of life. Consumption is then an economic activity leading to the development of the quality of life that can be either

positive or negative in nature, it may mean to eat or not to eat. In other words, not eating can also be an economic activity increasing the quality of life, and in doing so provide satisfaction.

Ordinarily our satisfaction arises from consumption, but there are also many cases in which we can experience a sense of satisfaction at non-consumption. However the satisfaction at non-consumption might arise from some mental impurity e.g. one could eat only once a day out of conceit, to show how tough or ascetic one is, and then feel pleasure and satisfaction in the pride one feels in one's accomplishment. Satisfaction arising from conceit is a mere step away from that arising from the gratification of craving. The correct form of satisfaction in this case would be to eat little or to abstain from food as a way of training oneself, in order to go against the grain of desire, and then to feel pleased and satisfied at the resultant increase in one's true well-being. A great many people, in their efforts to find satisfaction through consumption, damage their health and do harm to themselves and others. Drinking alcohol for instance, satisfies a desire, but is a cause of ill-health, quarrels and accidents. People who eat for taste often over-eat and make themselves unhealthy. Others give no thought at all to food values and waste a lot of money on junk foods, so that some people even become deficient in certain vitamins and minerals despite eating large meals every day. Incredibly, cases of malnutrition have even been reported. Apart from doing themselves no good, their over-eating deprives others of food. So pleas-

ure and satisfaction are not a measure of value. If our satisfaction lies in things that do not enrich the quality of life, then it can sometimes destroy our true welfare, We may become deluded and intoxicated; we may lose our health, lose the quality of life.

There is a classic economic principle that the essential value of goods lies in their ability to bring satisfaction to the consumer. Here, we may point to the examples given above where heavy consumption and strong satisfaction have both positive and negative results. The Buddhist perspective is that the benefit of goods and services lies in their ability to provide the consumer with a sense of satisfaction at having enhanced the quality of his or her life. There has to be that extra clause. All definitions, whether of goods, services, wealth or whatever, must be modified in this way.

Not harming oneself or others.

A further meaning of the term 'just the right amount' is of not harming oneself or others. This is another important principle and one that is used in Buddhism as the basic criterion of right action, not only in relation to consumption, but for all human activity. Here it may be noted that in Buddhism 'not harming others' does not apply to human beings alone, but to all that lives, or in a more contemporary idiom, to all eco-systems.

From a Buddhist perspective, economic principles are related to the three interconnected aspects of human

existence: human beings, nature, and society (with the meaning of the word nature used in the sense of eco-systems). Buddhist economics must be in concord with the whole causal process and to do that it must have a proper relationship with all three of those aspects, which in turn must harmonize and support each other. Economic activity must take place in such a way that it doesn't harm oneself, i.e. does not cause a decline in the quality of life, but on the contrary enhances it. Not harming others means not causing distress and agitation to society and not causing degeneration in the quality of eco-systems.

At present there is a growing awareness in developed countries of environmental issues. People are anxious about economic activities that entail the use of toxic chemicals and the burning of fossil fuels, etc. Such activities are harmful to the health of individuals, to the welfare of society, and to the environment. They may be included in the phrase harming oneself and harming others, and are a major problem for mankind.

Technology

I would like to digress a little at this point and say something about technology. The question may be asked as to what our understanding of technology is. In Buddhism, or particularly in Buddhist economics, technology is defined as the means to extend the range of human faculties. We possess eyes, ears, a nose, a tongue, a body, and a mind—these are our sense faculties, and they are

limited in use. If we want to drive in a nail and we use our fist it will be very painful. If we have to walk wherever we want to go it will be very time-consuming. So what can we do? We invent a hammer. A hammer extends the range of our sense faculties, increases the amount of work we can do with our hands. We have extended distances our feet can take us by building vehicles, and then airplanes. Our eyes are unable to see very small objects, so we have invented microscopes to see micro-organisms. They cannot see the stars that lie at great distances from the earth, and so we have built telescopes. These days we can even build a computer to extend the capability of the brain. So technology extends the range of sense faculties.

In the modern period our use of material means to effect the extension of the range of sense faculties has led to industrial advances, but the current form of technology is not the only one.

Historically, there have been cultures whose people have been seriously concerned with matters of the mind. They also found ways to extend the range of human faculties, but they used non-physical means. It is said that certain monks and yogis developed psychic powers such as the ability to fly through the air and to read others' minds. So we may distinguish two kinds of technology: the physical and the psychical. People make use of technology in their relationship with society and nature, and so it becomes a new kind of environmental factor, one that is man-made. Sometimes this man-made factor conflicts

with the well-being of society and nature, causing various problems. Technological development may cause an imbalance in the quality of human life, nature, and society; it may hinder the harmonious, supportive relationship between these three factors, causing them to decline. And technology may be used in a way that harms the self and others. These problems may be remedied by developing technologies that are conducive to harmony and mutual support between these three elements of human existence, and by using technology to promote the true welfare of self and others.

Summary

In summary, one important point that must be stressed is that the economic results that we seek are not ends in themselves. They are means, and the end to which they must lead is the development of the quality of life and of humanity itself. Consequently, it is the view of Buddhism that economic activity and its results must provide the basis of support for a good and noble life one of individual and social development.

Buddhism considers economics to be of great significance — this is demonstrated by the Buddha having the peasant eat something before teaching him. Economists might differ as to whether the Buddha's investment of a 45 kilometer walk was worth the enlightenment of a single person, but the point is that not only is Right Livelihood one of the factors of the Eightfold Path, but

that hungry people cannot appreciate Dhamma. Although consumption and economic wealth are important, they are not goals in themselves, but are merely the foundations for human development and the enhancement of the quality of life. They allow us to realize the profound: after eating, the peasant listened to Dhamma and became enlightened. We must ensure that the creation of wealth leads to a life in which people can be creative, develop their potentials, and endeavor to be good and noble. It is in short the quality of life that we are talking about.

In Buddhism there is a teaching called the Three *Attha*: that is, the initial, medium, and ultimate goals of human life. The initial, or basic goal refers to 'visible benefits,' of which a reasonable economic security is central; but the benefits of the first *Attha* have to be coordinated so as to assist with the attainment of the two further goals—the medium goal of mental virtues and quality of life, and the ultimate goal of complete inner freedom. In the effort to help achieve these three goals, economics must look upon itself as a contributing factor, one of many interrelated branches of knowledge that must support each other in the remedying of human problems. Consequently, an important task for economics is to find its points of contact with other disciplines and discover in which ways to best cooperate with them, how best to distribute the work load. Education for example could be used to teach people to recognize true and false values, what is and is not quality of life and so cooperate with economics in human development.

The major part of our lives is taken up with economic activities. If economics is to have any real part to play in the resolution of the problems facing humanity, then all economic activities, whether production, working, spending or consuming must help to create true well-being and develop the potential for a good and noble life. It is something that we are capable of doing. The essence of Buddhist economics lies here, in ensuring that economic activity simultaneously enhances the quality of our lives.



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