

On Buddhist Economics as a Science of Right Livelihood

Von Hans-Guenter Wagner

All kinds of production, consumption and distribution have more or less far-reaching impact on the life conditions of other beings and the natural environment. Like a knot in Indra's jewelled net we generate through our work, the things we consume and possess, and the waste we produce always inseparable connections with other human beings, animals and all other forms of life. In order to avoid to harm ourselves and other beings, we need a guidance on how to live in a right way. As Right Livelihood is one of the requirements of the Noble Eightfold path and as economic activities of various kinds are the means to earn a living, there must also be something like Buddhist economics.¹ Although the fundamentals of the Dhamma (Dharma) are directed to the existential level of our human existence, in the Buddhist scriptures we also find numerous teachings and advice on how to manage life in a way that spiritual health and material well-being can come together, so that we can enjoy the benefits of both. Thus, Buddhist economics is no recent branch of knowledge or even a peculiarity of Engaged Buddhism. On the opposite, it is something that can be traced back to very beginning of the Buddha's teachings on the duties of a good householder and has its roots in the concept of the Middle Way between extreme asceticism and materialist heedlessness.

Foundations of Buddhist Economics

The Buddhist study of economics on the most fundamental level can be found in the Abhidamma. In this canonical scripture we find a minute explanation of the positive and negative mental factors that govern all our activities. Whereas Western economics primarily focuses on measurable quantities and mostly ignores subjective factors like motives and attitudes, the core of Buddhist economics are the mental states on which all our economic behaviour as well as all kind of behaviour is based. The Abhidamma teaches about kamma (karma), how it arises, and how our existence is controlled by it. P.A. states that point in his treatise on Buddhist Economics as follows:

*"Good economic decisions are those based on an awareness of the costs on the individual, social and environmental levels, not just in terms of production and consumption. These economic decisions are kamma. Every time an economic decision is made, kamma is made, and the process of fruition is immediately set in motion, for better or for worse, for the individual, for society and the environment."*²

The Abhidamma deals in detail with the negative mental states like greed, aversion, delusion and pride, which doubtless influence economic behaviour. Would there be ever changing fashions and complicated tailoring without pride and vanity as moving forces behind, could the products of weapon factories find any customers if there were no hatred and aversion? The same is true for the positive mental states like non-greed, non-aversion, non-delusion, faith, generosity and goodwill. Requiring a simpler mode of life and the enjoyment of kinship with other beings and the non-human world, those positive states of mind promote an entirely different kind of economic action. They value giving higher than taking, cooperation higher

than competition, and stand for simplicity and non-violence even in the economic sphere of life. Buddhist economics combines inner and outer reality, i.e. it connects the structure of the mind with the so called objective reality of the external world. The bridge between internal and external realities is ethical thinking, judgement and behaviour. In Buddhist ethics, ethical laws follow the natural laws of cause and effect: virtuous action lead to benefit and evil actions lead to harm. So the basic ethical questions always ask: *"Do my thoughts, words and deeds help or harm myself and those around me."*³ In sharp contrast to the traditional economic approach, Buddhist economics looks at any economic situation from an ethical point of view.

Modern Western and Buddhist Economic

Whereas Western Economics mainly thinks in categories like material in- and output, rate of production or consumption, measurable efficiency and price-income relations, Buddhist economics above all considers the suffering being, the factors of its mind and its desire for well-being. Although economists try to eliminate all non-economic factors from their consideration of economic action, there is in recent years a growing number of critics who blame Modern economics for being the most value dependent science of all. As far as economics deals with mathematical equations and the statistical handling of empirical data, it is free of doubt scientific and value-free, but every economic model is based on premises and condition, which are highly subjective, and every record of data at first requires a choice of which aspects of reality should be observed and recorded and which can be neglected. All these decisions, premises and conditions are highly value-loaden. Thus, the claimed character of economics as one which the natural sciences comparable science can be put into serious question. In contrast to mainstream economics, Buddhist economics does not claim to be "scientific" in the sense that it deals with facts and data, but it is "scientific" insofar as it reveals the impermanent nature of all material things which cannot be ultimately controlled and must finally dissolve. This approach gives us a clear understanding of the highest level of reality as well as the true nature of desire. We can for that reasons Buddhist economics understand both as a science of right livelihood and as an art of living. Even in Modern economics there are a lot of critics like the famous English economist J.M. Keynes who took that economics as a whole is not part of science but rather belongs to the field of art.

Besides method, the aim and content of Western economics and Buddhist economics are also completely different. The aim of the Buddha's teaching is not the multiplication of wants and their satisfaction, but the purification of the mind in order to enable all sentient beings finally to realise the Nirvana peace. Whereas Modern economics is focused on high rates of economic growth, Buddhist economics relies on balance, equilibrium and sustainable relations between man and environment. Instead of promoting a maximum of consumption to boost the economy and to foster economic growth, according to the Dhamma well-being and a spiritually healthy life should be attained with simple means and a minimum of consumption. Buddhist economics is in sharp contrast to the classical economic equation of maximum consumption leading to maximum satisfaction and teaches instead the Middle Way, the right amount and knowing moderation. As P.A. Payutto puts it: *"According to the Buddhist approach, economic activity must be controlled by the qualification of well-being rather than the 'maximum satisfaction' sought after by traditional economic thinking."*⁴ Buddhism therefore advocates the wisdom of moderation and contentment. Whenever using things, we should reflect on their true purpose rather than using them regardless of natural environment and the interests of other beings.

Buddhist Economics as a Part of the Noble Eightfold Path

Teachings on Economics are scattered through the scriptures.⁵ Most of them refer to the Buddha's teachings of the four requisites: food, clothing, shelter and medicine. For ordained people on the one hand and householders on the other end, the Buddha gave different teachings which refer both to the different spiritual aims which they pursue and to different conditions they live in. The monastic discipline is much stronger than the rules on how to be a good householder. Whereas the monastic discipline exemplifies a life-style which makes a living of the least possible amount of material goods, so that ordained people can devote as much time and energy as possible to study, practice and teaching the Dhamma, the Buddha did not condemn the acquisition and possession of wealth for ordinary people. The possession of wealth is even praised and encouraged in the Pali Canon. But all wealth should be acquired and used in a right way. In the Anguttara Nikaya we find a list of wrongful trades and the pathways to ruin which one should not follow. The five kinds of wrongful trade are: 1. trade in weapons; 2. trade in human beings; 3. trade in flesh; 4. trade in spirits and inebriating substances; and 5. trade in poison. Who is involved in that kinds of trade does not only harm other beings, but also creates bad kamma for his or her further existence. The four pathways that lead to ruin are debauchery, drunkenness, gambling and bad company. These pathway to ruin can be contrasted with the four bases of social harmony as described in Digha Nikaya and the Anguttara Nikaya: generosity, kindly speech, service and participation which benefit both social life and individual well-being. In the Samyutta Nikaya we find a ranking of altogether 10 levels of householders with respect to the way they earn their livings. To seek wealth unlawfully, and in so doing providing happiness neither for themselves nor for others, is considered the worst. Those who seek wealth unlawfully, but in so doing providing happiness for themselves and others rank a bit higher, even though they do not perform meritorious deeds. Hoarding of wealth, miserliness and unwillingness to share with others are seen as the most evil uses of wealth. Highest rank those who seek wealth lawfully, and in so doing providing happiness for themselves and others; they share it and perform meritorious deeds. If they are moreover not attached to or infatuated with their wealth, they are heedful of its dangers, and possess thereby the insight that leads to spiritual freedom. The theme in the scriptures is not wealth as such but the way it is gained and used. Harmful actions associated with wealth are seeking wealth in dishonest or unethical ways; hoarding wealth for its own sake; and using wealth in ways that are harmful to oneself and others. Blameworthy qualities are greed for gain, stinginess, attachment to possess and the pure accumulation of wealth without willingness to share it with others. There are no objections to use wealth in a right way which is in accordance with the teachings. Even wealthy people are praiseworthy as long as they seek wealth in rightful ways and use it to create happiness for themselves and others. Acquisition is considered acceptable as long as it is helpful in the practice of the Dhamma.

The Buddha did not only teach about the right use of wealth, he also gave a lot of teachings on the role of the government in managing social and economic affairs. Concerning the ruling of a country, the Buddha gave teachings both for monarchies and for republican states. Regarding the monarchic states we find the Ten Virtues of a King which ranges from charity and morality to forbearance and uprightness as well as the Twelve Duties of an Universal Emperor who has among other things to rule the country by righteousness, to provide ward and protection to his subjects, to distribute wealth to the poor, and to seek advice from sages and always to aspire to greater virtue (Digha Nikaya). The Wheel-Turning emperor should use his absolute power as a tool for generating benefit in the community, and he should not primarily look for his personal happiness. This concept of the benevolent Buddhist monarch

has had a profound influence on the political and social development in South-East-Asian countries, because it endowed the Sangha with a considerable amount of political influence as the highest Sangha-members had the right to comment whether the king's speech and deeds were still in accordance with the Dhamma. For the republican states the Buddha taught some principles and methods for encouraging social harmony and preventing decline. He gave, for instance, the Seven Conditions for Community Welfare which among other things content the request to hold regular and frequent meeting, by which one should meet together in harmony, and to conduct business and duties in harmony as well; furthermore the request to honour and respect the elders and to listen to them, and to honour the womenfolk of the community and not to abuse them. Whether it is a monarchy or a republican state, "... Buddhism maintains that it is the duty of the government or king of a country to see to the needs to those who are in want and to strive to banish poverty from the land."⁶

Some Current Keynotes of Buddhist Economics

As most of the canonical teachings on the right way of social and economic action are developed against the background of the old Indian society with their prevailing feudalistic structures and a mainly agricultural mode of production, not all of this partly detailed advice and recommendations can be transferred to the modern industrial and post-industrial world. It is not only because most of these economic teachings are addressed to small traders, artisans and servants - occupations which all have lost importance in present-day society - but mainly because the Modern world is far more complex than the easy comprehensible societies of former times. In the Information society we live in, we are showered with pieces of information; and cause and effect-relations are often not even easy to predict. The relations of cause, condition and result are in the modern world much more complex than at the Buddha's time. The patterns of taking decision and responsibility in an Industrial society are far more difficult than in an Agrarian one. But to act responsibly we need to understand how each single activity like eating a hamburger is related to other global events like the diminishing of tropical rain forest. Unless we understand the complexities around us, it is difficult to demonstrate that the Dhamma can serve as compass to guide our everyday live in a meaningful way. Even though our motives are fundamental, to have a pure motivation is not always enough. We also must give attention to our actions and the direct and indirect results of them. We need a profound understanding of the impact of all our actions on the ecological systems as well as on the social conditions around us. The scope of Buddhist Economics has affinities with current social developments in many fields of thoughts and practice. Like the ascending values of the social and green movement, the psychological values of Buddhist economics involve a shift of emphasis from means to ends, from heedlessness to taking responsibility, and from aggressive competition to peaceful cooperation. The way we live and work, the way we interact with other beings is of much higher importance than high rates of material output, a maximum of consumption or everlasting economic growth. Buddhist economics is against the giantism of mainstream economics and prefers to live and to work in small and highly autonomous units. In his famous essay on Buddhist economics, E. F. Schumacher promotes strongly the organisation of local and less specialist small scale production units employing simpler technology as an alternative to high technology and large and complex, low cost mass production. Production from local resources for local needs he considers the most rational way of economic life. Dependence on imports from afar and the consequent need to produce and export to unknown and distant people, he thinks, is highly uneconomic and justifiable only on a small scale.⁷ Although Schumacher's concept is basically right, it should not be taken absolutely or like a prescription to cure all kinds of

social and economic disease. K. Jones maintains that for good reasons *small is beautiful* cannot be applied to all and everything. In some areas as railway and telecommunication networks it is logically impracticable and prohibitively expensive to operate which small and highly autonomous units.⁸ Steel production on a small scale local level, for instance, leads not only to a kind of steel which is almost useless, but contributes furthermore to a tremendous waste of natural resources and human energies as the Chinese policy of the Great Leap Forward in the late fifties has vividly shown, where such a vain attempt had been undertaken.

As the way is more important than the goal, Buddhist economics has a very different understanding of work than conventional economics. In Western economics work is simply something one is compelled to do in order to get sufficient means to consumption. But in Buddhism it is considered in relation to true well-being. Schumacher shows how the Buddhist point of view takes the function of work to be at least threefold: 1. work should give a man a chance to utilise and develop his faculties; 2. it should enable him to overcome his ego-centredness by joining with other people in a common task; and so 3. to bring forth the goods and services needed for a becoming existence. “... *work and leisure are complementary parts of the same living process and cannot be separated without destroying the joy of work and the bliss of leisure.*”⁹ It follows that according to the Buddhist view work should not be organised in a way that it become meaningless, boring, stultifying or nerve-bracking for the worker, because it would indicate “*a greater concern with goods than with people, an evil lack of compassion and a soul-destroying degree of attachment to the most primitive side of this worldly existence.*”¹⁰

Another striking difference between mainstream economics and Buddhist economics is the treatment of nature, i.e. the way we use natural goods and recourses and the way we disposal our wastes. Buddhist economics has with the new arising branch of ecological economics one fundamental point in common: Every kind of production is nothing else than a process of transformation where only substances or forms of energy are converted from one into another form. From the ecological systems we take the resources and energy to produce things that satisfy true as well as artificial needs, and after the consumption of all these things - whether our daily eaten food or long lasting consumer good - over shorter or longer periods of time finally turn back to the sphere of nature, where a new circle starts. In nature, nothing is wasted; the waste of one process makes the input of a new one. As long as we respect the self regenerating power of nature and for that reason not take more out than we put back, we can live in stable permaculture with the natural environment for millenniums. But as the human mind is possessed by what the Buddhist teachings call *tanha* that means craving, ambition, restlessness and thirst, mankind has already broken what we may call the nature-budget income restriction. The ecological crises is finally caused by the mental state of *tanha*, which has such a far-reaching influence on the global conditions of life. As *tanha* tends to seek the objects that provide pleasant feelings, the human desire to provide satisfaction for the six kinds of sense organs has already endangered the ecological conditions of our physical existence. *Tanha* arises dependent on feeling and is rooted in ignorance. When we use goods and services only to satisfy the desire for pleasant sensations or ego-gratification, *tanha* is always the moving force. So we can say that the subjective reality of our mind is directly linked to the release of destructive forces into the external objective reality. As the environmental crisis is the product of wrong attitudes and concepts, a new relationship with nature has to start with a fundamental change of thinking about and feeling toward other beings and the natural world. Only through the understanding of suffering we are able to realise the possibility of happiness. Whereas conventional economics is focused on the search of happiness, which is believed to be brought by never-ending consumption and ever new sensual sensations, the Dhamma is much more closer to the true realities of life. It is one of

the most fundamental statements of the Buddha that there is suffering. The cause of suffering is craving based on ignorance. When we start to recognise our own suffering and the suffering beings around us, we can develop compassion, which is the key to enter all the gates of the Buddhist path. The teachings of the Buddha enjoin a reverent and non-violent attitude not only to all sentient beings, but to nature in general. No other being should be killed or hurt; and even no plant should be unnecessarily broken. When we enjoy the kinship with all forms of life, we can overcome tanha. With a simpler mode of life, with emphasis on means and not on ends we can attain true happiness. True happiness does not rely on objects of the outer world, such happiness comes from within. Dhamma-happiness can be attained with a minimum of material things. It arises when the defiled mind becomes clear, and it creates inner peace when always cultivated in the right manner. Buddhist economics can be defined as the systematic study on how to attain true happiness by dealing with the objects of the economic sphere of life in a right way.

Anmerkungen:

1 Some Modern works on Buddhist Economics are: E.F. Schumacher, Buddhist Economics, in: Asia A Handbook, edited by Guy Hint, London: Anthony Blond Ltd., 1965, p.695-701; P.A. Payutto, Buddhist Economics - A Middle Way for the Marked Place, Bangkok: Buddhadhamma Foundation, 1994; S. Batchelor, Buddhist economics reconsidered, in: Allen Hunt Badiner (Ed.), Dharma Gaia - A Harvest of Essays in Buddhism and Ecology, Berkeley 1990, p.178-181; Jing Yin, lun fojiao de caifuguan (The Buddhist View on Wealth), in: fayin (Voice of the Dharma, magazine of the Chinese Buddhist Association), 1994, Vol. 104 (April 1993), p.11-15 and Vol. 106 (June 1993), p.7-11 (2 parts); H.-G. Wagner, Dharma und wirtschaftliches Handeln (Dharma and Economic Action), in: Lotusblaetter (Quarterly of the German Buddhist Association - DBU), 2/1995, p.27-32; scattered contributions to some aspects of Buddhist Economics we also find in K. Jones, The Social Face of Buddhism - An Approach to Political and Social Activism, London: Wisdom Publications, 1989; S. Sivaraksa, Seeds of Peace - A Buddhist Vision for Renewing Society, Berkeley 1992; and in some of the numerous works on Ethics of Buddhism as in the books of Aitken, Saddhatissa, Tachyana and others.

2 cf. Payutto, p.23.

3 cf. ibid, p.23.

4 ibid, p.42.

5 Payutto (p.91-96) and Jing Yin (p.11-15) both give good summaries on the scattered canonical teachings concerning economic action.

6 cf. Payutto, p.79.

7 cf. Schumacher 1965, p.698.

8 cf. Jones 1989, p.335.

9 cf. Schumacher, p.695.

10 cf. ibid.