

## BUDDHIST ECONOMICS

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### ABSTRACT

The term 'Buddhist Economics' first appeared in an essay by E.F. Schumacher, published in Asia: A Handbook (Wint, 1966) and later collected with other essays in Schumacher's famous volume Small is Beautiful: Economics as if People Mattered (1973). This latter book has been translated into 27 languages and in 1995 was named as one of the hundred most influential books since World War II, by the London Times Literary Supplement. Schumacher developed his idea of Buddhist economics when travelling in 1955 to Burma as a UN consultant. He begins the essay with the observation that: "Right Livelihood' is one of the requirements of the Buddha's Noble Eightfold Path. It is clear, therefore, that there must be such a thing as Buddhist economics." He begins his discussion with an evaluation of attitudes towards labour with in contemporary economics and Buddhism. Whereas the modern economist, he argues, sees human labour as "an item of cost, to be reduced to a minimum if it can not be eliminated altogether, say, by automation"(1966, p.1) and the 'workman' within the economist's system considers his labour to be a sacrifice at the expense of leisure time, the Buddhist take a different view.

**Keywords :** Buddhist Economics, World War II, Right Livelihood, Eightfold Paths.

### Introduction

Whether or not Buddhism is a religion is always open to question. Scholars of religion typically include Buddhism within their inquiry since it shows many of the characteristics of what religion is understood to be: systems of belief, institutional organisation around belief and ritual practices, religious specialists in its monastic system and an ethical discourse based upon its teachings and beliefs. However, the fact that Buddhism does not hold with a belief in a transcendental deity or systems. While the figure of the Buddha and various 'bodhisattvas' do, at the popular level, more or less, fulfil the role of transcendent deities, and often Buddhists will combine local animistic beliefs in the supernatural within their Buddhist practice, the 'orthodox' view is that a reliance upon the divine is an obstacle to the individual taking responsibility for their own journey towards enlightenment.

Buddhism has already gained prominence in India diplomacy for fostering deeper engagement with ASEAN countries as part of the 'Look East Act policy', In fact, Buddhism is also fast becoming a brand symbol of rising India. The country is sitting a top amillennia-old tourist mine. Numerous Buddhist sites in India, directly linked to the spiritual destinies of millions in Asia, could form a part of Buddha-Industry, which, in turn, could transform the lives of millions, providing lucrative career options to a large youth component. Having displayed adequate intent to bolster India position in the Buddhist world. The present government faces the crucial challenge of effective execution. This would go a long way in strengthening India

relations with Asian countries, and helping it further down the path of its regional and global power ambitions.

Buddhist teachings begin with the fact of human suffering, which is caused by craving and desire for things external to the individual self. The Buddha taught not only that craving for things in the world is a source of 'karma', which means that we continue to be reborn each time we die (karma 'binds' us to future rebirth), but that the belief in a discrete individual 'self', to which we are attached, is itself a fundamental mistake or delusion that must be recognised in order to escape samsara (the cycle of rebirths). The teaching of anatta/anatman ('no self') is at the very core of the Buddha's second sermon, which he gave following his own realisation of the causes of human suffering (Harvey 1990). While this teaching may seem highly esoteric, the Buddha taught the practical means to overcome craving and attachment through following the 'eightfold path' of right understanding, thought, speech, action, livelihood, effort, mindfulness and concentration.

### Development Of Buddhism :

For the Religions and Development Research Programme, which focuses on India, Pakistan, Nigeria and Tanzania, Buddhism is relevant because of its association with India. While Buddhism had died out in India by the tenth century CE, there are two patterns of more recent revival of the tradition. The first of these followed the Chinese invasion of Tibet, when the Dalai Lama, with his followers, was permitted in 1959 to establish a 'government-in-exile' in Dharamsala in Kangra District, in the northern state of Himachel Pradesh. Since then a community of several thousand Tibetan exiles have also settled there, in Upper

Dharamsala, or McLeod Ganj, where they have established monasteries, temples and schools. The second revival of Buddhism in India can be traced to the work of Dr. Babasaheb Ambedkar in the state of Maharashtra to outlaw untouchability, in the early part of the twentieth century. While Ambedkar (1891-1956) was born as an outcaste or untouchable, he managed to pursue higher education in the US and the UK and to become a lawyer and Bahujan political leader, as well as the main author of the 'Indian constitution' after independence. However, his pursuit of dalit rights was not confined to politics: instead, he converted to Buddhism in 1956 and then converted an estimated 380,000 of his followers to the tradition. This conversion was, on the one hand, a symbolic rejection of Hinduism, which was considered through its sanction of the caste system to justify the oppression of outcastes. On the other hand, the conversion to Buddhism has proved to be an important means of enabling dalits to enhance their self worth and, to a degree, their social standing in a society that continues to exercise discrimination against what are now called, for classification purposes, Scheduled Castes and Scheduled Tribes (SC/ST) (Jaffrelot, 2005; Omvedt, 2004). Studies on dalit communities indicate consistently low levels of education, health and income compared to higher castes. Increasing numbers are converting to other religions, including Buddhism, in order to improve their status. For instance, the BBC recently reported that "thousands of people have been attending mass ceremonies in India at which hundreds of Hindu Dalits converted to Buddhism and Christianity...The ceremonies mark the 50th anniversary of the adoption of Buddhism by the scholar Bhimrao Ramji Ambedkar."

#### **Buddhist economics System and World's views :**

"The Buddhist point of view takes the function of work to be at least threefold : to give man a chance to utilise and develop his faculties; to enable him to overcome his ego-centredness by joining with other people in a common task; and to bring forth the goods and services needed for a becoming existence... To organise work in such a manner that it becomes meaningless, boring, stultifying, or nerve-racking for the worker would be little short of criminal; 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. Equally, to strive for leisure as an alternative to work would be considered a complete misunderstanding of one of the basic truths of human Buddhism and Development: A Background Paper existence, namely that 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" (1966, p.2).

One arguably problematic conclusion that Schumacher draws is that a Buddhist economics is 'needs based', rather

than to maximise production or employment, and therefore he concludes that "women, on the whole, do not need an 'outside' job, and the large-scale employment of women in offices or factories would be considered a sign of serious economic failure". Their role instead is to care for children in the home. The 'economic failure' he alludes to consists of an economic system that puts profit and consumption above individual need and Buddhist practice. Thus, if we rewrite this from a more enlightened perspective that does not employ a biological essentialism about women's natural roles as mothers and carers, the more important point to be made from a Buddhist perspective is that it would support a economic system based upon "the Middle Way between materialist heedlessness and traditionalist immobility, in short, of finding "Right Livelihood."

Schumacher also draws attention to 'production from local resources', 'simplicity and non-violence' and the sustainable use of natural resources as fundamental to a Buddhist economics. While he is suggesting that the basis for such an economic system exists conceptually within Buddhist contexts, his vision does seem romantic and nostalgic. How would such a system fit within a broader global economic framework not based upon Buddhist principles? How could the will to implement and sustain such a system be generated in poor Buddhist contexts where people are already bound up in capitalistic economics and where their route out of poverty seems to be contingent upon greater incorporation into the capitalist system.

In order to begin to address these questions it would be necessary to find examples of Buddhist economics in practice, or at least to look at the writings of Buddhists about economics and development that are grounded in grass roots experience. Pryor, in two articles (1990; 1991), looks at the attitudes towards economics in Buddhist texts. In his first paper ('A Buddhist Economic System -In Principle') he concedes that his "discussion of ideas in the formal Buddhist canonical sources does not tell us anything very specific about how Buddhism is actually practiced today" (1990, p. 340). His second paper ('A Buddhist Economic System - In Practice'), despite its title, continues with this emphasis. While it is important to understand what 'tradition' tells us about (a) Buddhist view(s) of Working Paper in economics, traditional views were formulated within particular socio-economic and cultural contexts, and it is also important to investigate the articulation of traditional Buddhist ideas in the contemporary era . However, I will begin with a brief discussion of Pryor's articles and will then move on to look at work by Zadeck (1993) that attempts to locate such interpretations of the Buddhist texts within a modern context, with particular reference to the Savodaya Shramadana Movement in Sri Lanka. I will finish with a discussion of an

article by David Loy on the topic of Buddhism and poverty (1999).

Pryor begins his discussion with the observation that “the notion of Buddhist economics may seem a contraction in terms” (1990, p. 339).<sup>39</sup> For instance, “its doctrines of nibbana (nirvana) appear to both deny the importance of economic activity and to encourage withdrawal from the world” (1990, p. 339). However, contemporary Buddhist scholars (in both Asia and the West), he notes, are increasingly interested in examining the links between the tradition and economic systems. Pryor focuses upon the, this 'worldly actions' of the laity” (1990, p. 343), since the monastic community does not engage in economic activity.

Pryor also stresses that the “Buddha saw no virtue in poverty” (1990, p. 345), since it can impede one's ability to understand and live by the dhamma. In his second article, Pryor is interested to understand how the economic principles expounded in the Pali Canon (the Theravada Buddhist set of texts), have influenced actual economic behaviour. He begins by pointing out that Theravada Buddhism does not have a system of giving to the poor, since it was primarily the monks who were the recipients of donations. He does suggest, however, that it is not in different to the poor, since the moral virtues of compassion and generosity are regarded as one way of increasing merit.

He argues that “Buddhism is not inimical to material prosperity is not just a religion of the monks, but also of the laity” (1991, p.7). However, this observation, he suggests, was not taken in to consideration by Max Weber in his writing on the tradition. In a discussion entitled 'The Other-Worldliness of Buddhism and Its Economic Consequences' (1968, pp. 627-30), Weber notes that : “the impact of Buddhism varies from country to country, depending upon the cultural milieu in which it is found. However, in all of them “no motivation toward a rational system for the methodical control of life flowed from Buddhist...piety.” Although a type of capitalism has existed in these countries in a modest sense, “there was no development toward 'modern capitalism', nor even any stirrings in that direction. Above all, there evolved no 'capitalist spirit' in the sense that is distinctive of ascetic Protestantism” (1991, p. 7).

Thus, in focusing upon the monastic strand within Buddhism, Pryor argues that Weber missed the contribution of the laity. For instance, Zen Buddhism “has had an extremely strong cultural impact on Japan, has certain important other-worldly aspects, and yet this has not prevented Japan from achieving an impressive degree of economic development...the relationships between 'other-worldly' Buddhism and economic and political systems are much more complicated than Weber suggested (a matter explored by a number of writers e.g. Tambiah [1984], Sarkisyanz [1965]) (1991, p. 7-8). Zadek (1993)

writes that his work takes “the debate beyond his [Pryor's] focus upon the canonical texts and into the heartland of Buddhist, into 'practice' itself” (1993, p. 433). He discusses the Sarvodaya Shramadana Movement in Sri Lanka as a “community organization working to improve the situation of people in rural areas throughout Sri Lanka” (1993, p. 436). He continues, “important here is that the philosophy and imagery through which Sarvodaya's aims and approach are articulated are drawn from a combination of Gandhian and Buddhist principles” (1993, p. 436; (Ariyaratne, 1978-91; Macy, 1985; Batchelor and Brown, 1992). While the extent of the successes of Sarvodaya has been a Working Paper subject of considerable debate, Zadek suggests that his paper does “illustrate the types of actions and forms of organization that might arise from people rooted in Buddhist perspectives, and the kind of tensions that can built up around such approaches” (1993, p. 437)

'The Buddhist economy approach seems to be a more consistent embodiment of economic rationality, while the economic aggression that prevails to this day in the global economy leads to increasingly irrational consequences, including overt military aggression, and attempts to put the economy on a course of militarism and destruction rather than material and cultural creation. Next, the three main pillars of the Buddhist economy will be theoretically considered: a specific style in managing the economy, the priority of a person as a spiritual value, and not just as a material resource, and finally, the attitude to labour as creativity and care for family and friends.'

'The concept of Buddhist economics is also elaborated by modern economists, such as Bashu Dev Deshar, professor and PhD at Rishsho University. Doctor Dev Deshar studies the economic phenomenon of Buddhist communities as a social basis of Buddhist economics (Dev Deshar 2020). There are also many other aspects of Buddhist economics that are studied by several other researchers such as participants of special conferences devoted to the examination of the values of Buddhist economics ('Buddhist Values and Economics' 2019). Clair Brown and Laszlo Zsolnai presented an overview of recent research in Buddhist economics (Brown and Zsolnai 2020).'

#### **Conclusion :**

In summary, an industrial or 'post-industrial' society based on the extensive use of non-renewable resources cannot exist indefinitely. A return to local economies based on agriculture is inevitable. It is difficult to disagree theoretically with this, but until the situation becomes critical, most people will not accept this opinion. For example, only the escalation of a terrible war of Russia against Ukraine in 2022 shows all the world the vital dependence of countries on food produced in Ukraine: things that seemed to be natural and inevitable appear fragile and dependent on a collective resisting the

aggressor. In the near future, each country should begin to take care about its own sources of food and generally make its own economy more independent, like the Buddhist economy. The concept of Buddhist economics is getting more and more confirmation of validity and more and more supporters. This concept returns the classical understanding of economic rationality, the concern for people and their stable well-being, and not about the accumulation of capital for the sake of capital itself. Management of the economy should be guided not by the external parameters of production, but by its quality and the targeted satisfaction of the main needs of the people. Work appears as an excellent opportunity for personal development and care for oneself and loved ones, and not as subservient participation in the functioning of supra-individual systems and unknown consumers. Now the implementation and development of the principles of the Buddhist economy is the affair of experimental enthusiasts in some small communes and eco-villages. Even so, it will soon be the case for many, if not all. In the 1960s, when Schumacher published the first calculations of his research, economists laughed at his theories. However, after a few decades, it became obvious that humanity needed to come to a more rational economy than that to which it is accustomed. Increasing consumption ultimately leads to nowhere. Perhaps it is wiser not to increase consumption perpetually but to learn to achieve maximal pleasure from minimal consumption? In addition, it is important to produce only the highest quality goods and services at both the national and regional, continental, and global levels. A non-Buddhist society would unlikely build a Buddhist economy, even if some governments will provide Buddhist economics. Anyway, it will be some transdisciplinary approach that will join the possibilities of different sciences – like Philosophy and Economics, but probably Politics and Law, Ecology and Anthropology, Medicine, and Psychology, or all of them and some other sciences too. It will be a new worldview as a new basis for classical economic rationality – to protect human prosperity and to invest concern in the continuation of human productivity in a healthy environment. Buddhist economics should be a priority interest of forthcoming philosophical research, in the areas of collective agency and collective responsibility, social dilemma and social agreement and environmental ethics and of theory, of small communities and creative networks.

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