Buddhist Economics as a Human Development’s Paradigm
พุทธเศรษฐศาสตร์: กระบวนทัศน์ในการพัฒนามนุษย์

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ABSTRACT

Buddhism is a system of values which has the paradigmatic concern with the human development especially the sustainable way. The various doctrines of the Guatama Buddha such as the Middle Path, the Four Noble Truths, the awareness in the common characteristics depend on daily life etc., are the concept to develop the human being in the right ways. “Right Livelihood” is one of the requirement of the Buddha’s Noble Eightfold Path. Certainly, we can find a concept of Buddhist Economics in Buddha’s teaching.

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The purpose of this article is to point out and focus on the main concepts and characteristic of Buddhist Economics, which is different from the Mainstream Economics and then explains further the paradigm of human development toward Buddhist Economics.

Keywords: Buddhism, Buddhist Economics, Human Development

บทคัดย่อ

พุทธศาสนาเป็นระบบคุณค่าหนึ่งที่มีกระบวนการพัฒนาที่เกี่ยวกับการพัฒนามนุษย์อย่างยั่งยืน หลายคำสอนของพระสัมมาสัมพุทธเจ้า เช่น ทางสายกลาง, อาริยสัจ 4, การตรัสรู้ในสามัญลักษณ์ โดยนำโอปิพัสชาติตรัสรู้สัมมาสัมพุทธเจ้า ล้วนเป็นแนวทางการพัฒนามนุษย์ในทางที่ถูกต้อง "สัมมาอาชีวะ" หนึ่งในอริยมรรคมีองค์แปด จัดได้ว่าเป็นสิ่งที่สอดคล้องกับหลักพุทธเศรษฐศาสตร์ในคำสอนของพระพุทธเจ้า

ดังนั้น วัตถุประสงค์ของบทความนี้ เพื่ออธิบายและชี้ให้เห็นถึงหลักแนวคิดและลักษณะของพุทธเศรษฐศาสตร์ ที่มีความแตกต่างจากเศรษฐศาสตร์กระแสหลักและเพื่ออธิบายกระบวนการพัฒนาพุทธศาสนาของพุทธศาสนา

คำสำคัญ: พุทธศาสนา, พุทธเศรษฐศาสตร์, การพัฒนามนุษย์

Introduction

Economic living standard has improved continually all time, the current development in the world has experienced many serious problems in other aspects in environment, social, economic and human
dimensions. There have been questions regarding human values and true well-being as well as concerns for ecological balance, climate changes, economic equality, and sustainable development. This circumstance has led to discussions about alternative development paradigms for holistic development. Buddhist economics is a choice and can provide the ideas and guidance to solve the world crisis in many development dimensions.

Buddhist Economics is not the same as Economics of Buddhism. The former is a modern discourse that utilizes elements of Buddhist thought to construct an alternative model of the economy and the latter is a study of how Buddhists organize their economic life in real-world. (Zsolnai, L., 2016, p. 344)

Buddhist Economics is the subject explaining economic activities with the aim for both individual and society to achieve peace and tranquility under resource constraint. (Puntasen, A., 2005, p. 21)

The Difference of Buddhist Economics and Mainstream Economics

The development in the world today has been dominated by mainstream economics developed from the western world since the industrial revolution. Buddhist economics based on Buddhism values which has different point of views towards life aims and social relation. Thus, Buddhist economics and mainstream economics have different concepts and approaches of development. They have different con-
cepts, perceptions, goals, core values and focuses, which lead to different kinds of development results.

Modern Western economics promotes doing economic activities in self-interested. It cultivates desires. People are encouraged to develop new desires for things to acquire and for activities to do. The profit motive of companies requires creating more and more demand. Modern Western economics aims to introduce markets wherever social problems need solving. There is only a limited place for ethics in modern Western economics. The Western economic man is allowed to consider the interest of others only if it serves his or her own interest at least in long term. (Zsolnai, L., 2016, p.345)

The contrast between mainstream Western economics and Buddhist economics can be illustrated as two frameworks in opposition.

1) Mainstream Western economics represents a maximizing framework. It wants to maximize profit, desires, markets, instrumental use, and self-interest and tends to build a world where “bigger is better” and “more is more”.

2) Buddhist economics represents a minimizing framework where suffering, desires, violence, instrumental use, and self-interest have to be minimized. This is why “small is beautiful” and “less is more” express the essence of the Buddhist approach to economic questions.

As mentioned above, the essence of difference between Buddhist Economics and Mainstream Economics is based on different paradigm of human nature. Zadek. S. (1997) explains and further compares that Buddhist economics is better to understand people
and concerns and relationships between each other. In mainstream economics, relationships are a means for achieving something else; whereas in Buddhist economics relationships are an end in itself. Mainstream economics tries to be value free. On the other hand, Buddhist economics is explicit about its values and ethics.

The development of Buddhist Economics and its essence

In Western, Buddhist Economics begins with British economist, E.F. Schumacher. In the 1950s and 1960s, Schumacher was working as an economic advisor in South-East Asia, including Burma. He realized that the Western economic models are not appropriate for Buddhist countries because Western models are based on a different metaphysics than that of the Far-Eastern worldviews. (Zsolnai, L. 2007b, p.140)

Schumacher (1973) concludes that the Buddhist approach to economics represents a middle way between modern growth economy and traditional stagnation. It seeks the appropriate path of development, the Right Livelihood for people.

From the 1970s Schumacher’s conception of Buddhist Economics became popular, especially among the members of the alternative and environmental movements. It was recognized that Buddhist economics is not only relevant for Buddhist countries but can help Western countries to solve their own problems.
The most noted one in Thailand, Buddhist economics was made by the Thai Buddhist monk, Ven. P. A. Payutto in his book “A Middle Way for the Market Place”. (Payutto, P.A., 1994, p.2)

Payutto does not try to present a comprehensive Buddhist Economics theory, but his treatise provides many tools for reflecting on and ways to look at economic questions based on a considered appreciation of the way things are and the way we are.

From a Buddhist perspective, Payutto said economics cannot be separated from other branches of knowledge. According to the teachings of Buddhism, Payutto said human beings are born in a state of ignorance. Ignorance is lack of knowledge, and it is this lack of knowledge that causes problems in life, they do not really know how to conduct their lives. Without the guidance of knowledge or wisdom, they simply follow their desires.

He emphasizes that Buddhist teaching recognizes two different kinds of wanting:

1. **Tānha**, the desire for pleasure objects
2. **Chanda**, the desire for well-being.

*Tānha* is based on ignorance, while *chanda* is based on wisdom. For example, people who are driven by *Tānha* will seek to satisfy the blind craving for sensual pleasure, which, in this case, is the desire for pleasant taste. But when guided by *chanda*, desires are directed to realizing well-being.

Given that there are two kinds of desire, *chanda* and *Tānha*, Payutto argues that there are two kinds of value, which we might term
true value and artificial value. True value is created by chanda. In other words, a commodity’s true value is determined by its ability to meet the need for well-being. Artificial value is created by Taṇhā which is a commodity’s capacity to satisfy the desire for pleasure. (Zsolnai, L. 2007b, p. 142)

We can distinguish between two kinds of consumption: “right” consumption and “wrong” consumption as follows,

– Right consumption based on chanda is the use of goods and services to achieve true well-being.

– Wrong consumption arises from Taṇhā is the use of goods and services to satisfy the desire for pleasing sensations.

In the Buddhist view, when consumption enhances true well-being, it is said to be successful. On the other hand, if consumption results merely in feelings of satisfaction, then it fails. By contrast, right consumption always contributes to well-being and forms a basis for the further development of human potentialities. (Payutto, P.A. 1994, p. 22)

The Major Characteristics of Buddhist Economics

Buddhist economics may be considered as “middle-way economics” for true well-being. It is different from the mainstream economics, which dominates today development, in terms of; the meaning and purpose of life; purposes of economic activities such as consumption, production, trade; human behavior and nature; etc.
Payutto, P.A. (1994) said in his treatise about the main characteristics of Buddhist Economics are as follows:

1) Middle Way economics: realization of true well-being

Buddhism is full of teachings referring to the Middle Way, the right amount and knowing moderation, and all of these terms may be considered as synonyms for the idea of balance. For example, consumption which is attuned to the Middle Way, must be balanced to an amount appropriate to the attainment of well-being rather than the satisfaction of desires.

2) Middle Way economics: not harming oneself or others

A 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 human action, not only in relation to consumption, but for all human activity.

Buddhist Economics concerning human development in various dimensions

Payutto, P.A. (1994) indicates that economics is a means to enhance human development, which goes along with the path of developing inner happiness. In this perspective, economics is a means to support further human development and inner happiness.

There are different concepts and implications to life, work, and social development between Buddhist economics and modern economics.
For example, in Buddhist economics, work is a part of life that people can be happy by working with chanda (good desires or willing to do good things for good purposes) as well as make a happily working environment; whereas, in modern economics, work is something that people have to scarify for earning and bring in suffering.

However, this paper promotes concepts of Buddhist Economics as the starting point with work, consumption, production and poverty which based on the human development paradigm.

1) Buddhist Concept of Work

Buddhist economics also have different understandings of the role of work. 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. (Payutto, P.A., 1994, p.26)

With different views and goals, Buddhist economics focus on workers, rather than products from workers. Work is an important part of life for everyone to nourish and develop human value in conditions with human dignity and freedom.

Buddhist economics also supports full employment with different motivation and rewards. People have motivation to work by chanda and being happy as a reward. As indicated in Payutto (1994), immediate rewards from work are our knowledge/skill development and satisfaction, which help improving our quality of life.

People can be happy by working under the condition of chanda. This type of work is encouraged. But if one expects high pay or pro-
motion as a condition from work when the outcome does not meet such expectation, one would suffer from the work. This type of expectation is not encouraged in Buddhism as it is not the real reward to improve the quality of life and it can cause suffering.

In Buddhism, real reward from work (with chanda) is results from work itself which can bring satisfaction to the worker himself and others. Thus, Buddhist system promotes real work (with desire to improve quality of life) and to do good things for others. Real work is not the same as being employed and work by office hours, as referred in modern economics. The Buddhist concept of work is broader covering spiritual well-being and good human relation.

2) Consumption and Production

Payutto (1994) said we must distinguish which kind of desire our consumption is intended to satisfy: is it to answer the need for things of true value, or to indulge in the pleasures afforded by artificial value? Consumption is said to be one of the goals of economic activity.

However, economic theory and Buddhism define consumption differently. Consumption is the satisfaction of desire, that much is agreed. Modern economics defines consumption as simply the use of goods and services to satisfy demand which is;

- Right consumption is the use of goods and services to satisfy the desire for true well-being. It is consumption with a goal and a purpose.
Wrong consumption is the use of goods and services to satisfy the desire for pleasing sensations.

In Buddhism, consumption is meant to relieve us from suffering as well as provide basic needs for higher mind and wisdom development. Consumption in Buddhism focuses on usefulness or real value (rather than market value).

Puntasen, A. (2005) noted that there are 3 levels of usefulness from consumption; which are:

- immediate usefulness (i.e., for meeting physical needs)
- intermediate usefulness (i.e., enhancing quality of life & mind for higher personal development, and to be useful for others), and
- ultimate usefulness (i.e., for wisdom level of development to be free from suffering). (p.73)

In Buddhist economics, consumption is to optimize consumption efficiency whereas, production requires wisdom as main input or most important factor of production. In mainstream economics we tend to think that through production new things are created, when in fact it is merely changes of state which are affected.

In different views which pointed out by Puntasen (2001), production theory of Buddhist economics focuses on wisdom as a mode of production and this system may be called as “wisdomism” instead of capitalism from Western theories. This is to maintain the highest goal of maximizing happiness (in Buddhism) by minimizing harmfulness to ourselves and others. Only with wisdom (paññā) in both consumption and production, this goal can be achieved.
Paññā can divert production process away from destruction of resources and the environment. If paññā is in full control of the utilization of energy and other natural resources, it will result in more use of renewable resources and energy and as little use as possible of nonrenewable ones.

3) Poverty and Equality

In Buddhism, poverty is defined as a deficiency of basic commodities needed for maintaining for physical well-being. A poor man is a person who is lacked and in great need of four basic commodities; food, cloth, shelter, medicines. (Piboolsravut, P., 1997, p.33)

Buddhism considers poverty is a suffering, clearly stated by the Buddha. As noted in Payutto, P.A. (1994), once Buddha said:

...when people are overwhelmed, and in pain through suffering, they are incapable of understanding dhamma” and stressed that “hunger is the most severe of all illnesses and that conditioned phenomena provide the basis for the most ingrain suffering, (quoted in Sauwalak Kittiprapas, 2017, p.15)

Piboolsravut, P. (1997) noted that poverty can causes suffering for those who enjoy sensual pleasures in two ways:

- Bodily suffering primarily as it induces sickness brought on, for example, by hunger or weather condition.
- Suffering for and individual if it induces indebtedness, for example, inability and pressure to pay interest of debts.

Buddhism realizes the importance of basic physical needs to relieve physical suffering. Poverty reflects the inadequate to meet one’s basic need; therefore, eradication of poverty is a priority before human beings can be advanced with further development for higher wisdom level. (Kittiprapas, S., 2017, p.16)

Thus, equality is an important point which concerned in Buddhist economics. People are born equal and have equal rights to achieve the highest natural truth, people can have an opportunity and ability to reach the ultimate truth equally. With the understanding that all people are born with sufferings, their physical needs have to be met equally to relieve their sufferings.

4) Life Views and Right Livelihood

Buddha said that, as noted in Payutto, P.A. (1994), suffering is something that should be recognized. The first Noble Truth is the recognition that all things must pass and that ultimately there is no security to be had within the material world. This is the kind of truth the Buddha urged people to face the painfully fundamental facts of life.

In the Noble Truth, Payutto, P.A., (2016) mentioned that the Buddha explains the cause of suffering, the cessation of suffering that is the Noble Eight-fold Path for the cessation of suffering, through training of body, speech and mind which are;
Right View    – Right Thought
Right Speech    – Right Action
Right Livelihood    – Right Effort,
Right Mindfulness and Right Concentration.

Right Livelihood is one factor on the Noble Eightfold Path. It is not determined by the amount of material wealth it produces, but rather by the well-being it generates. Many livelihoods which produce a surplus of wealth simply cater to desires rather than providing for any true need.

For the individual, the objective of livelihood is to acquire the four necessities or requisites of human existence: food, clothing, shelter, and medicine. Again, the acquisition of these four requisites, be it in sufficient amount, is not the ultimate objective. The four requisites are merely a foundation upon which efforts to realize higher objectives can be based.

A view of life that appreciates the reality of suffering, we pay more attention to the present moment so that we can recognize problems when they arise. We cooperate with others to solve problems, rather than competing with them to win happiness. (Payutto, P.A.,1994, p.33)

Such a view also influences our economic choices. Our production and consumption are geared less toward the pursuit of craving and more toward relieving suffering. If this Buddhist view were taken up on a national or global scale, rather than seeking to satisfy every
demand, our economies would strive to create a state free of suffering, or a state which is primed for the enjoyment of happiness.

As mentioned in Payutto, P.A. (2013), effective human development needs right views towards life. For mutual supports of living things and earth, Buddhism teaches that:

1) Human beings are in nature and part of system of causes and effects. Therefore, they need to harmonize for the benefits of well-being of all.

2) All beings (including human and animals) are friends under the same natural laws. All lives want to be happy and escape from suffering similarly. Therefore, they should have loving-kindness and compassion for all without being divided as separate groups or hate and do harmful to other lives.

3) Happiness with liberation from inside brings in the best and perfect life. This is because inner happiness or inner freedom can bring in physical and social freedom. In addition to happiness free from deprivation of basic needs, human beings need higher level of happiness generated from mind and wisdom development. (pp. 143-144)

These are three main right views for life, the last one is the most important. When one pursues inner happiness, one will have no conflict with other lives and nature that leads to social benefits for all.

Therefore, Buddhist concept of development not only realizes the importance of natural resources but the whole natural system at large. That is why Buddhist approach, originated from right views, can lead to holistic development for all living beings in the natural system.
6. Conclusion

What has been discussed in this paper, following Buddhist approach with middle way of life and moderation, people can consume materials within an appropriate level and know their limits. People should have wisdoms to know what level of consumption is appropriate to their situations i.e., income, work, family, and not cause trouble to them by searching and wanting too much. As a result, appropriate or right amount would not cause suffering for themselves and others. This right understanding of physical well-being would make significant contribution to development.

Buddhist Economics is viewed as an alternative strategy for human development, which can be applied in a variety of economic context. Buddhist economics may help Buddhists and non-Buddhists alike to create sustainable livelihood solutions which aim to reduce suffering of human and non-human beings by practicing want negation, non-violence, caring and generosity based on the liberating insight of the Buddha.
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**Articles**


