

Gary D. DeAngelis and Todd Lewis (Eds.):
Teaching Buddhism.
Oxford University Press. 2016 (pp. 344-360.)

Laszlo Zsolnai

Corvinus University of Budapest &
Buddhist Economics Research Platform

Buddhism and Economic Development

Introduction

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 social settings, past or present. Buddhist Economics is essentially a normative enterprise while Economics of Buddhism is a descriptive endeavor.

Also Buddhist Economics is not synonymous with traditional Buddhist thought, interpretation, or practice. It is a construct developed by Western economists and Buddhist thinkers inspired by Buddhist ethics and the Buddhist monastic ideal. It represents an alternative approach to economic life, which is radically different from what mainstream Western economics offer. Buddhist Economics promotes want negation and selfless service for achieving happiness, peace and permanence. These ideas might seem irrational or at least naïve for the Western economic mind which is preoccupied by cultivating desires and the maximization of

profit or utility. However, the deep ecological and financial crisis of our era renders alternative solutions worthy for consideration.

Perhaps the best way to introduce Buddhist Economics is to contrast it with mainstream Western economics. A good start is summarizing the Western economic mindset characterized by basic principles such as (i) profit-maximization, (ii) cultivating desires, (iii) introducing markets, (iv) instrumental use of the world, and (v) self-interest-based ethics.

Modern Western economics promotes doing economic activities in self-interested, profit-maximizing ways. 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. In modern Western economics the value of an entity (be it human being, other sentient being, object or anything else) is determined by its marginal contribution to the production output. An economic project is considered worthy of undertaking if and only if its discounted cash flow is positive. This instrumental view of the world is a prime example of the calculating thinking. 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. 2007)

Buddhist Economics challenges the basic principles of modern Western economics and proposes alternative principles such as (I) minimizing suffering, (II) simplifying desires, (III) non-violence, (IV) genuine care, and (V) generosity. The underlying principle of Buddhist economics is to *minimize suffering* of all sentient beings concerned, including nonhuman beings.

From a Buddhist viewpoint a project is worthy to be undertaken if it reduces the suffering of those who are affected. The suffering-minimizing principle can be formulated to reveal that the goal of economic activities is not to produce gains but to decrease losses. Since humans (and other sentient beings) display loss sensitivity (Tversky, A. & Kahneman, D. 1991, 1992), it is worthy trying to reduce losses for oneself and for others rather than trying to increase gains for them. Losses should not be interpreted only in monetary terms or applied only to humans. The capability of experiencing losses, i.e., suffering, is *universal* in the realm of both human and non-human kingdoms.

Buddhist economics suggests not to multiply but to *simplify human desires*. Above the minimum material comfort, which includes enough food, clothing, shelter, and medicine, it is wise to reduce one's desires. Wanting less could bring substantial benefits for the person, for the community, and for nature as a whole. Buddhism recommends moderate consumption and directly aims at changing one's preferences through meditation, reflection, analyses, autosuggestion and the like.

Nonviolence (ahimsa) is the main guiding value of Buddhist economics for solving social problems. It is required that an act does not cause harm to the doer or the receivers. Nonviolence prevents doing actions that directly cause suffering for oneself or others and urges participative and communicative solutions. The community-economy models are good examples. Communities of producers and consumers are formed to meet both their needs at the lowest cost and reduced risk by a long-term arrangement. Community economy uses *local resources* to meet the needs of *local people* rather than the wants of markets far away. Community economy is based on partial or complete self-reliance. (Douthwaite, R. 1996)

Buddhist economics favors practicing *genuine care*. Robert Frank developed five distinct types of cases when socially responsible organizations are rewarded for the higher cost of caring. (1) Opportunistic behavior can be avoided between owners and managers. (2) Getting moral satisfaction, employees are ready to work more for lower salaries. (3) High quality new employees can be recruited. (4) Customers' loyalty can be gained. (5) The trust of subcontractors can be established (Frank, R. 2004). Caring organizations are rewarded for the higher costs of their socially responsible behavior by their ability to form commitments among owners, managers and employees and to establish trust relationships with customers and subcontractors.

Buddhist economics suggests that *generosity* might work in business and social life because people behave like "Homo reciprocans." They tend to reciprocate what they get and often they give back more than they received. Samuel Bowles, Robert Boyd, Ernst Fehr, and Herbert Gintis summarize the model of *Homo reciprocans* as follows. Homo reciprocans comes to new social situations with a propensity to cooperate and share, responds to cooperative behavior by maintaining or increasing his or her level of cooperation, and responds to selfish, free-riding behavior by retaliating against the offenders, even at a cost to himself/herself, and even when he or she could not reasonably expect future personal gains from such retaliation (Bowles, S., Boyd, R., Fehr, E. and Gintis, H. 1997).

The contrast between mainstream Western economics and Buddhist economics can be illustrated as two frameworks in opposition. (Zsolnai, L. 2007) 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". 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” nicely express the essence of the Buddhist approach to economic questions. (Table 1).

Table 1 *Mainstream Western Economics versus Buddhist Economics*

Mainstream Western Economics	Buddhist Economics
maximize profit	minimize suffering
maximize desires	minimize desires
maximize markets	minimize violence
maximize instrumental use	minimize instrumental use
maximize self-interest	minimize self-interest
“bigger is better”	“small is beautiful”
“more is more”	“less is more”

1. The Emergence of Buddhist Economics

The Western discourse on 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.

In his best-selling book “Small is beautiful” Schumacher states that the central values of Buddhist economics are simplicity and non-violence. (Schumacher, E. F. 1973) From a Buddhist point of view the optimal pattern of consumption is to reach a high level of human satisfaction by means of a low rate of material consumption. This allows people to live without pressure and strain and to fulfill the primary injunction of Buddhism: “Cease to do evil; try to do good.” As natural resources are limited everywhere, people living simple lifestyles are obviously less likely to be at each other’s throats than those overly dependent on scarce natural resources.

According to Buddhists, production using local resources for local needs is the most rational way of organizing economic life. Dependence on imports from afar and the consequent

need for export production is uneconomic and justifiable only in exceptional cases. For Buddhists there is an essential difference between renewable and non-renewable resources. Non-renewable resources must be used only if they are absolutely indispensable, and then only with the greatest care and concern for conservation. To use non-renewable resources heedlessly or extravagantly is an act of violence. Economizing should be based on renewable resources as much as possible.

. Schumacher 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 in the West, especially among the members of the alternative and environmental movements. It was gradually recognized that Buddhist economics is not only relevant for Buddhist countries but can help Western countries to solve their own problems, namely overconsumption, welfare malaise and destruction of nature.

From Asia one seminal contribution to Buddhist economics was made by the Thai Buddhist monk and philosopher *Ven. P. A. Payutto* in his book "A Middle Way for the Market Place". (Payutto, P. A. Ven. 1992) He emphasizes that Buddhist teaching recognizes two different kinds of wanting: (1) *tanha*, the desire for pleasure objects; and (2) *chanda*, the desire for well-being. *Tanha* is based on ignorance, while *chanda* is based on wisdom. For example, people who are driven by *tanha* 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.

Payutto stresses that from the Buddhist point of view, economic activity should be a means to a good and noble life. Production, consumption and other economic activities are not ends in themselves; they are means, and the end to which they must lead is the development of well-being within the individual, within the society and within the environment. Given that there are two kinds of desire, *chanda* and *tanha*, 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. Conversely, artificial value is created by *tanha* – it is a commodity's capacity to satisfy the desire for pleasure. Consequently we can distinguish between two kinds of consumption: “right” consumption and “wrong” consumption. Right consumption based on *chanda* is the use of goods and services to achieve true well-being. Wrong consumption arises from *tanha*; it is the use of goods and services to satisfy the desire for pleasing sensations or ego-gratification.

Central to Buddhist doctrine is the wisdom of *moderation*. According to the Buddhist approach, economic activity must be controlled by the qualification that it is directed to the attainment of well-being rather than the “maximum satisfaction.” In the mainstream Western economic model, unlimited desires are controlled by economic scarcity, but in the Buddhist ideal model they are controlled by an appreciation of moderation and the objective of well-being.

Payutto suggests that *non-consumption* can also contribute to well-being. Though monks eat only two meals a day before noon, they strive for a kind of well-being that is dependent on little. However, if abstinence did not lead to well-being, it would be pointless, just a way of mistreating monastics. The question is not whether to consume or not to consume, but whether or not our choices lead to self-development.

Production is always accompanied by destruction. In some cases the destruction is acceptable, in others it is not. Production is only truly justified when the value of the thing produced outweighs the value of that which is destroyed. In some cases it is better to refrain from production. In industries where production entails the destruction of natural resources and environmental degradation, non-production is sometimes the better choice.. In this light, *non-production* can be a useful activity. A person who produces little in material terms may, at the same time, consume much less of the world's resources and lead a life that is beneficial to the world around him or her. Such a person is of more value than one who diligently consumes large amounts of the world's resources while manufacturing goods that are harmful to society.

Payutto summarizes the basic aims of Buddhist economics as follows:

(i) realization of true well-being

The Middle Way, the right amount and knowing moderation may be considered as synonyms for the idea of balance or equilibrium. Knowing moderation means knowing the optimum amount, how much is "just enough and right". This optimum point, or point of balance, is attained when one experiences satisfaction at having answered the need for quality of life or well-being.

(ii) not harming oneself or others

From a Buddhist perspective, economic activities are related to the three interconnected aspects of human existence: human beings, society and the natural environment. Economic activity must take place in such a way that it does not harm oneself (by causing a decline in the quality of life) and does not harm others (by causing problems in society or in the environment).

In his book "Putting Buddhism to Work" former Japanese banker and economic thinker *Shinichi Inoue* presented his view of economics and Buddhism. (Inoue, S. 1997) Inoue claims

that Buddhist motivation for work must be the pursuit of the interests of both oneself and others. According to Inoue Buddhist economic activities do not have the profit as principal goal. Instead, their primary objective is to serve the community in a wider sense. Profit may come, but it is a by-product rather than the main goal of business activities.

Inoue emphasizes that to live necessarily involves the taking of life of other beings. We cannot change that, but we can limit how many lives we take and to what extent we allow our desires to be satisfied. Gratitude toward other beings and a sense of regret about harming others are crucial considerations in Buddhism. It calls for the environmental and social assessment of products and industries which is already a highly developed practice in Japan and other advanced countries.

Inoue suggest that both production (P) and consumption (C) have to be considered.

Production can be ranked according to four levels:

P1 = production that has a negligible negative impact on the environment,

P2 = production that has a minimal negative impact on the environment,

P3 = production that has some negative impact on the environment,

P4 = production that involve a great deal of negative impact on the environment.

Consumption can be assessed on a four-rank system:

C1 = consumption of goods that are vital for human existence,

C2 = consumption of goods that are not absolutely necessary, make living better ,

C3 = consumption of goods that are not very necessary,

C4 = consumption of goods that are frivolous or even harmful.

Table 2 presents the combination of these variables in order to determine whether the production of a product is relatively earth-friendly and the consumption of a product is truly

necessary. Lower the number associated with a combination, the better it is for the environment and society.

Table 2 *Environmental and social assessment categories for production and consumption*

	P1	P2	P3	P4
C1	1	2	3	4
C2	2	4	6	8
C3	3	6	9	12
C4	4	8	12	16

In the Buddhist view, any economic enterprise must be located in the context of the entire natural universe, so that ignoring environmental and social costs is unacceptable. Economic efficiency should be redefined in the form of “*not wasting*”. For example, although recycling costs time and money, and may seem inefficient and troublesome, ultimately we are being more efficient by recycling and not wasting products. A recycling culture is economically sound.

In his publications Thai economist Apichai Puntasen addresses the problems of macroeconomics from an ideal Buddhist point of view. (Puntasen, A. 2005, 2007) Because of the different meanings of “happiness,” Puntasen suggests to use the word *sukha* drawn from the teaching of the Buddha. One meaning of *sukha* is “*wellness*”. It also implies the state where pain is reduced from its original level. Less pain implies more *sukha*. On the other hand, pleasure does not necessarily imply less pain.

Sukha from acquisition is a lower level of *sukha*. It can be the same as hedonism in Western sense. However, at this level of *sukha* it must not cause any burden for one-self or any

other living beings. Even with this qualification, the Buddhism recommends the attainment of a higher level of sukha which arises from non-acquisition; it can also be derived from giving, helping others to be relieved from pain. The highest levels of sukha are derived from meditation, with the highest that of being emancipated or liberated from all impurities of mind or all the defilements: *nirvana*.

It can be seen that sukha is more associated with mental development than with any form of material acquisition. The most important tool to achieve this mental stage is through training of the mind through meditation to reach the stage of *panna* (Skt. *prajna*; “wisdom”, “insight”) the ability to understand reality clearly, everything according to its own nature. Therefore, *panna* is instrumental in being relieved from pain. With no pain, it will be sukha or wellness of the mind, despite the inevitable decline of the mortal body. An individual who perfects one’s *panna* may experience enlightenment. In the end, Puntasen thus suggests that the mode of production in Buddhist economics can be defined as *panna-ism*. Human beings who have *panna* center their lives on compassion and act dis-passionately; they do not seek to maximize pleasure or utility but endeavor to relieve others of pain as much as possible.

According to Puntasen *panna* can be used to examine the factors of economic input, such as technology, capital forms, and natural resources. The production process should be done in such a way to enhance the good qualities of human inputs. The process should generate human skills and creativity as well as provide a sense of fulfillment at the workplace. Minimal use of non-renewable resources should be constantly practiced, while use of renewable resources should be encouraged in place of non-renewable resources as much as possible. Waste from the production process should be kept at a minimum. The need for production to be increased to meet increased demand for consumption is not required in Buddhist economics, since

consumption will also be in moderation. As only moderate consumption is needed, the rest can be donated to others who are still in need. Peace and tranquility are results of the ability to understand everything in its own nature or having *panna*.

2. Buddhist Economic Solutions and Models

Contemporary contributions of Buddhist economics to pressing problems of sustainability, happiness and well-being should also be discussed. Also some inspiring Buddhist economic models such as the Asoke movement in Thailand and the Gross National Happiness policy framework in Bhutan are worthy for presentation. Finally, some attention could be paid to the application of Buddhist mindfulness practices for organizational renewal and business leadership.

2.1 Sustainability. Australian environmental scholar and Buddhist thinker *Peter Daniels* describes *sustainable production* and *consumption* where goods and services are provided and used to fulfill basic human needs and bring better quality of life – while keeping natural resource use and emissions of toxic and other waste over life cycle and supply and post-use chains at levels that will not jeopardize the ability to meet the needs of future generations. (Daniels, P. 2007)

Daniels notes that both in the Buddhist and sustainability perspectives, choices about what we seek and pursue from life and the environment should accurately reflect the impact of these choices on our long-term well-being. From the Buddhist view, the underlying problem is that people lack knowledge about the appropriate path to a sustained state of satisfaction or contentment. People repeatedly experience the inability of want-pursuit based on external

phenomena to bring lasting satisfaction but they generally do not learn the lesson that suffering cannot be overcome from grasping or clinging to material objects or activities.

Peter Daniels argues that for the natural environment, appropriate changes in beliefs, attitudes and motives – based on the law of karma – should have a beneficial impact by minimizing or at least moderating and managing consumption so that material and energy throughput (and hence environmental exploitation) is substantially reduced. Awareness of the karmic spillovers of material and energy consumption would act to decrease the overall biophysical scale of material output demanded and consumed as well as instigating fundamental changes in the nature or composition of economic output. The significance of cause-effect chains, with ramifications far beyond the primary target of the originator's action (and usually back upon the initial agent), is closely aligned with the incorporation of "spillover effects" or "externalities" into production and consumption decisions.

A major target of Western economic approaches has been to reduce the biophysical metabolism of the economy to reduce impact per unit of welfare output. To date, the "rebound effect", or growth in consumption capability from technological efficiencies and economic growth has predominantly acted to offset reduced environmental harm from eco-efficiency gains. The ability to moderate and dematerialize the rebound effect will be instrumental for sustainable consumption and Buddhism has important offerings in its world view.

Techniques of socioeconomic mapping metabolism (SEMM) for reducing society's impact on nature is consistent with Buddhism's goal of reducing material and energy throughput. At root, they concur with an ethos of the improvement of human physical and spiritual well-being pivoted upon understanding of the interconnectedness of the human existence and nature. The approach of a Buddhist-related value system would be strongly supportive for an economic

system based on dematerialization and metabolism reduction. Hence, it could help fulfill the vital need for a philosophical and humanistic foundation for the technological and structural changes required for the harmonious co-existence.

2.2 The Happiness Problem. British economist and Buddhist helper *Colin Ash* notes that the sense of happiness extends in three dimensions. The most immediate is hedonic, sensual and emotional – pleasurable feelings. Then there is a more cognitive, judgmental evaluation of the balance of pleasant and unpleasant feelings over the longer term. The broadest and most normative concept of happiness relates to the quality of life, human flourishing and the realization of one's potential - Aristotelian "eudemonia". (Ash, C. 2008)

Colin Ash suggests that from contemporary happiness research we can draw some major empirical regularities about happiness and income:

(1) Over the past 50 years rich countries (e.g. US, UK and Japan) have become much richer; for example average real incomes have more than doubled. However the evidence shows that people are on average no happier. In the economics literature, this is known as "Easterlin's Paradox". Research by psychologists and political scientists reach the same conclusion. In fact depression, suicide, alcoholism and crime have risen. Happiness in poor countries on the other hand has increased attaining higher income.

(2) Rich countries are usually happier on average than poor countries. Obviously other things besides income determine happiness. Why is New Zealand about as happy on average as the US when average income in the US is almost double New Zealand's? Vietnam has half the per capita income of the Ukraine, yet the Vietnamese are on average almost twice as happy.

(3) Within rich countries the rich are much happier than the poor. However increases in income have not made either group any happier.

Colin Ash argues that extra income certainly matters, but only when we do not have a lot of it. For an individual or a society struggling to subsist, an extra dollar can significantly raise well-being. Once income per head exceeds about \$20,000 (at 2005 prices), extra income appears to have very little additional impact on happiness, *ceteris paribus*. There are diminishing marginal returns.

The pursuit of income and consumption is unsatisfactory in itself because of eventual adaptation and social comparison. Trapped on hedonic and social treadmills, we over-invest our time in paid work and associated commuting at the expense of building and maintaining valuable relationships with family and friends, and within the wider community. Clearly many of our choices – what to buy, how many hours to work – often do not bring us happiness.

Research shows that social relationships have a more lasting impact on happiness than does income. Close relationships – in our family, with friends, at work, in our community, as members of a voluntary organization or religious group – make us happy. As well as providing love, support and material comfort. These are high trust relationships and trust between people is an important contributor to personal happiness. Divorce, widowhood and unemployment have a significant and lasting negative impact on our well-being. Unemployment hurts beyond the loss of income as social ties are broken, and rising unemployment causes insecurity which reduces the happiness of even those who do have jobs.

Nevertheless, happiness is not the ultimate goal of Buddhism – warns Colin Ash. The cessation of suffering is. A bodhisattva is a savior-being: the bodhisattva's vow of compassion is to free all sentient beings from suffering, not to make them happy. Buddhism could therefore be viewed as a form of negative utilitarianism.

2.3 Economic and Public Policy Experiment. The *Santi Asoke* Buddhist Reform

Movement of Thailand represents a practical realization of an ideal Buddhist economic model. Asoke communities are organized around the principles of meritism, specified in the slogan “Consume Little, Work Hard and Give the Rest to Society”. (Essen, J. 2011)

Residents in the Asoke communities limit their consumption by adhering to the Buddhist precepts, sharing communal resources and following the environmental edict, “The Four Rs” (recycle, reuse, repair, reject). Deeply concerned with the root defilement, greed, Asoke members value “to be content with little”. Yet they caution to consume enough, following the Buddhist Middle Way of neither extreme asceticism nor extreme luxury. Another idea, members put forth is “to be satisfied with what one has”, in accordance with the Buddha’s revelation that desire causes suffering.

Work serves in Asoke communities’ as a primary method of meditation. Members practice “open eye” meditation continuously as they work and interact with others within their community. Following the original meaning of the Thai word for work, *gnan*, the Asoke people’s activities include working for one’s livelihood as well as attending meetings, chanting, eating, watching movies and chatting with neighbors in their understanding of work.

“Giving the rest to society” is a training in selflessness or non-self. Giving to make merit is a common practice for Thai Buddhists, yet Asoke Buddhists do not just give the typical temple offerings. They aid material and spiritual development in Thai society through many means. For instance, they run vegetarian restaurants and non-profit markets that simultaneously provide the Thai public with healthy food and useful goods at low cost while promoting the concepts of meritism.

The concept of *Gross National Happiness* (GNH) has gained world-wide recognition. *Sander Tideman* reminds that the concept was first expressed by King of Bhutan in the 1980s in response to Western economists visiting Bhutan and regarded it as a 'poor' country by standards of Gross Domestic Product (GDP). While acknowledging that Bhutan may score low on the scale of conventional economic indicators, the King of Bhutan claimed that his country would score high on an indicator measuring happiness. (Tideman, S. 2011)

Bhutan's leaders define Gross National Happiness in terms of four pillars: economic development, good governance, cultural preservation and nature conservation. The benefit of the model is that it includes conventional measure of economic performance while complementing it with 'higher level' components. GNH can also serve as a tool for policymaking when confronted with conflicting interests. Typically, political decisions are made on the basis of trade-offs. For example, when faced with the choice between providing employment versus the preservation of environment, most governments would choose the former. The GNH model shows that this trade-offs should be made in the context of a certain hierarchy of values. Otherwise policymakers will continue to sacrifice higher values for lower values, longer term interests for shorter term interests, and causing investments in sustainable development to be put off. If GNH can be developed into a comprehensive tool incorporating all relevant values for a happy life, it will free governments from defaulting to economic decisions on the narrow paradigm of materialism. (Tideman, S. 2011)

The Government of Bhutan made an international effort to popularizes the concept of GNH worldwide. It established the Center for Bhutan Studies which measures year by year the advancement of the Bhutanese society according to GNH. (Center for Bhutan Studies 2014)

2.4 Organizational Renewal and Leadership. Many economic institutions in the West are characterised by high levels of anxiety leading to increasing absenteeism along with mental and physical burn-out. Part of the problem is caused by the modern managerial strategies, which increasingly leave individuals with a sense of isolation, and often - through the over-use of modern technologies –out of contact with nature and a normal sensory world

British organizational scholar and Buddhist teacher Bronwen Rees and Hungarian Tibetologist Tamas Agocs suggest that a secularised Buddhist method can address issues of power and release the creativity and sense of community in the modern workplace. To create a “reflective ground” is crucial to the work which brings a movement away from a cause and effect model to one of conditionality. In such a model the individual is challenged to acknowledge that his or her behaviour always contributes to the conditions and is to some degree reflected in all other conditions that make up the situation as it is. It is then a step towards taking fuller responsibility for the situation in that the individual is located in an interpenetrating and interdependent field of human activity. (Rees, B. and Agocs, T. 2011)

Rees and Agocs see the strength of this approach in the possibility of finding ways of relating that go deeper than that of language, since the awareness practices work at emotional, bodily and intellectual levels, and therefore of finding ways of communicating that undermine the common Western drive towards a task-based outcome. Relationship is privileged over outcome. Diversity is welcomed in an open approach that encourages a mutual exploration of experience. Transcendence is seen as a transcendence of self and a heightened and ever-growing understanding of the interpenetration and connection of our lives.

His Holiness the Dalai Lama and Dutch management consultant Laurens van den Muyzenberg emphasizes the importance of mindfulness in business leadership. Leading yourself

requires mental discipline. All people have egocentric tendencies like greed, jealousy, craving for material goods, recognition. Buddhists refer to these as negative thoughts and emotions and recommend training the mind via meditation to reduce these negative tendencies. The first step is mindfulness, that is to become aware when negative thoughts and emotions start coloring the thinking in the mind. (Dalai Lama, H. and van den Muyzenberg, L. 2009)

In business profit and competition are two fundamental issues. Profit is a necessary condition for business to survive. However leaders that considers the sole goal of business as making maximum profits hold a wrong view. Profit is the result of having satisfied customers, satisfied employees, satisfied shareholders and other stakeholders. Leaders have to meet the challenge of balancing these interests. Very important is a holistic view. Businesses have a responsibility of the long-term effects of what they produce.

Global technology companies including Google are connecting to the power of mindfulness and meditation to drive sustainability and happiness in their business functioning. They employ the advices of the famous Zen master Thich Nhat Hanh and other Buddhist thinkers on how practicing mindful meditation at the workplace may help companies to improve the bottom line. (Confino, J. 2014) However, the question remains whether “doing things right” without “doing the right things” in mainstream business truly contribute to the noble goal of reducing suffering.

Conclusions

Simon Zadek asks the important question of whether Buddhist Economics is able to penetrate the modern economy to prevent it from driving us along a materially unsustainable path, and to uproot its growing hold on our psychological conditions. He believes that we have

no choice but to engage in modernization in an attempt to redirect it or at least reduce its negative effects. (Zadek, S. 1997)

Buddhist Economics is best viewed as an alternative strategy, 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, the no-self.

Acknowledgement

The paper uses materials from the author's previous articles. (Zsolnai 2011a, 2011b)
Permission from Springer for re-using these materials is greatly appreciated.

References

- Ash, C. 2008: "Happiness and Economics: A Buddhist Perspective" *Society and Economy* Volume 29, (2), 201-222.
- Bowles, S., Boyd, R., Fehr, E. and Gintis, H. 1997: *Homo reciprocans: A Research Initiative on the Origins, Dimensions, and Policy Implications of Reciprocal Fairness* (Research Initiative on Reciprocal Fairness, June 7, 1997)
<http://www.umass.edu/preferen/gintis/homo.pdf>.
- Center for Bhutan Studies 2014: <http://www.grossnationalhappiness.com/> (accessed on 12 July, 2014)
- Confino, J. 2014: Thich Nhat Hanh: is mindfulness being corrupted by business and finance?
The Guardian 28 March 2014 (accessed on 12 July, 2014)
- Dalai Lama, H. and van den Muyzenberg, L. 2009: *The Leader's Way: Business, Buddhism and Happiness in an Interconnected World*. Broadway Books.

- Daniels, P. 2007: "Buddhism and the Transformation to Sustainable Economies" *Society and Economy* Volume 29 (2) 155-180.
- Douthwaite, R. 1996: *Short Circuit. Strengthening Local Economics for Security in an Unstable World*. The Lilliput Press.
- Essen, J. 2011: "Economic Sufficiency and Santi Asoke" in Zsolnai, L. (ed.): *Ethical Principles and Economic Transformation: A Buddhist Approach*. Springer pp. 61-78.
- Frank, R. 2004: "Can Socially Responsible Firms Survive in Competitive Environments?" in Robert Frank: *What Price the Moral High Ground? Ethical Dilemmas in Competitive Environments*. Princeton: Princeton University Press..
- Inoue, S. 1997: *Putting Buddhism to Work. A New Approach to Management and Business*. Kodansha International Ltd. Tokyo, New York, London.
- Payutto, P. A. 1994: *Buddhist Economics: A Middle Way for the Market Place*. Buddhadhamma Foundation, Bangkok.
- Puntasen, A. 2005: *Buddhist Economics: Evolution, Theories and Its Application to Various Economic Subjects*. Amarin Publisher, Bangkok.
- Puntasen, A. 2007: „Buddhist Economics as a New Paradigm towards Happiness” *Society and Economy*. Volume 29, (2), 181-200.
- Rees, B. and Agocs, T. 2011: "The Application of Buddhist Theory and Practice in Modern Organizations" in Zsolnai, L. (ed.): *Ethical Principles and Economic Transformation: A Buddhist Approach*. Springer pp. 155-166.
- Schumacher, E. F. 1973: *Small is Beautiful*. Abacus, London.
- Tideman, S. 2011: "Gross National Happiness" in Zsolnai, L. (ed.): *Ethical Principles and Economic Transformation: A Buddhist Approach*. Springer pp. 133-154.
- Tversky, A. & Kahneman, D. 1991: "Loss Aversion in Riskless Choice: A Reference-Dependent Model," *Quarterly Journal of Economics*. 1039-1061.
- Tversky, A. and Kahneman, D. 1992: "Advances in Prospect Theory: Cumulative Representation of Uncertainty” *Journal of Risk and Uncertainty* 1992. 297-323.
- Zadek, S. 1997 "Towards a Progressive Buddhist Economics” in J. Watts, A. Senauke, and S. Bhikku (eds.): *Entering the Realm of Reality: Towards Dharmic Societies*. 1997. INEB, Bangkok. 241-273.

- Zsolnai, L. 2007: "Buddhist Economic Strategy" in Bouckaert, L., Opdebeeck, H. and Zsolnai, L. (eds.): *Frugality: Rebalancing Material and Spiritual Values in Economic Life*. Peter Lang Academic Publishers, Oxford. 279-304.
- Zsolnai, L. 2011a: "Why Buddhist Economics?" in Zsolnai, L. (ed.): *Ethical Principles and Economic Transformation: A Buddhist Approach*. Springer pp. 3-17.
- Zsolnai, L. 2011b: "The Contributions of Buddhist Economics" in Zsolnai, L. (ed.): *Ethical Principles and Economic Transformation: A Buddhist Approach*. Springer pp. 183-195.

Further Readings in Buddhist Economics

- Alexandrin, G. 1993: "Elements of Buddhist Economics" *International Journal of Social Economics* 1993 (2), 3-11.
- Badiner, A. H. (ed.): *Mindfulness in the Marketplace: Compassionate Responses to Consumerism*. Berkeley, Parallax Press.
- Daniels, P. 2003: "Buddhist Economics and the Environment – Material Flow Analysis and the Moderation of Society's Metabolism" *International Journal of Social Economics* 30. 8-33
- Daniels, P. 2005: "Economic Systems and the Buddhist World View: the 21st Century Nexus" *Journal of Socio-Economics* 34 (2), 245–268.
- Easterlin, R.A. 1995: "Will Raising the Incomes of All Increase the Happiness of All?" *Journal of Economic Behavior and Organization*. 27. 35-47.
- Essen, J. 2005: *Right Development: The Santi Asoke Buddhist Reform Movement of Thailand*. Lexington Books.
- Galay, K. (ed.) 1999: *Gross National Happiness – A Set of Discussion Papers*. The Centre for Bhutan Studies.
- Gintis, H. 2000: "Beyond Homo Economicus: Evidence from Experimental Economics" *Ecological Economics* 35, 311-322.
- Gowdy, J. 2006: "Business Ethics and the Death of Homo Oeconomicus" in L. Zsolnai and Knut J. Ims (eds): *Business within Limits: Deep Ecology and Buddhist Economics*. 2006. Peter Lang, Oxford. pp. 83-102.
- Inoue, S. 2002: "A New Economics to Save the Earth: A Buddhist Perspective" in A. H. Badiner (ed.): *Mindfulness in the Marketplace: Compassionate Responses to Consumerism*. 2002. Berkeley, Parallax Press, 49-58.

- Kaza, S. (ed.): 2005: *Hooked: Buddhist Writings on Greed, Desire and the Urge to Consume*. Boston: Shambhala.
- Kolm, S-C. 1985: "The Buddhist theory of 'no-self'" in J. Elster (ed.): *The Multiple Self*. 1985. Cambridge University Press. Cambridge. pp. 233-265.
- Layard, R. 2005: *Happiness: Lessons from a New Science*. London, Allen Lane.
- Magnuson, J. 2007: *Mindful Economics: Understanding American Capitalism, Its Consequences and Alternatives*. Portland, OR: Pilot Light Books.
- Nelson, J. 2006: "The Relational Firm: A Buddhist and Feminist Analysis" in L. Zsolnai and Knut J. Ims (eds.): *Business within Limits: Deep Ecology and Buddhist Economics*. 2006. Oxford: Peter Lang, 195-218.
- Prayukvong, W. 2005: "A Buddhist Economic Approach to the Development of Community Enterprises: A Case Study from Southern Thailand" *Cambridge Journal of Economics* 29, 1171-1185.
- Sivaraksa, S. 2002: "Alternatives to Consumerism" in Badiner, A. H. (ed.): *Mindfulness in the Marketplace: Compassionate Responses to Consumerism*. Berkeley, Parallax Press. 135-141.
- Tideman, S. (ed.) 2002: *Compassion or Competition – Dialogues on Business and Economics with H.H. the Dalai Lama*.
- Ura, K. and Galay, K. (eds.) 2004: *Gross National Happiness and Development*. Center of Bhutan Studies, 2004. (Available at www.grossnationalhappiness.org)
- Welford, R. 2006: "Tackling Greed and Achieving Sustainable Development" in L. Zsolnai and Knut J. Ims (eds.): *Business within Limits: Deep Ecology and Buddhist Economics*. 2006. Peter Lang, Oxford. 25-53.
- Wickramasinghe, J. W. 2000: *People Friendly Economic Development: An Introduction to Buddhist Theory of Development Economics*. Colombo, Sri Lanka: Dharmavijaya Foundation.
- Zsolnai, L. and Ims, K. J. (eds.) 2006: *Business within Limits: Deep Ecology and Buddhist Economics*. Peter Lang, Oxford.
- Zsolnai, L. (ed.) 2007: "Sustainability and Sufficiency: Economic Development in Buddhist Perspective" *Special Issue of Society and Economy* 2007. 2, pp. 145-053.