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Why Buddhist Economics?

Buddhism and economics seem to be far from one another. Many people think that Buddhism is an ascetic religion with no interest in worldly affairs. It is not true. Buddhism has a well-developed social facet. Buddhists are often engaged in progressive social change.

Buddhism poses a radical challenge for mainstream economics because it denies the existence of the self. The Western way of life is centered on self-interest understood as satisfaction of the wishes of one's body-mind ego. Buddhism challenges this view by a radically different conception, that is "anatta", the "no-self".

Anatta specifies the absence of a supposedly permanent and unchanging self. What is normally thought of as the "self" is an agglomeration of constantly changing physical and mental constituents which give rise to unhappiness if clung to as though this temporary assemblage. The "anatta" doctrine attempts to encourage the Buddhist practitioners to detach themselves from the misplaced clinging to what is mistakenly regarded as self, and from such detachment (aided by wisdom, moral living and meditation) the way to *Nirvana* is able to be traversed successfully.

Modern neuroscience supports the Buddhist view of the self. What neuroscientists discovered can be called the selfless (or virtual self), "a coherent global pattern, which seems to be centrally located, but is nowhere to be found, and yet is essential as a level of interaction for the behavior". The non-localizable, non-substantial self acts as if it were present, like a virtual interface. (Varela, F.J. 1999: p. 53. and 61.)

Buddhism suggests not to multiply but to simplify our desires. Above the minimum material comfort, which includes enough food, clothing, shelter and medicine, it is wise to try to reduce one's desires. Wanting less could bring substantial benefits for the person, for the community and for nature.

1. The Emergence of Buddhist Economics

In the 1950s and 1960s British economist E. F. Schumacher was working as an economic advisor in South-East Asia. He realized that the Western economic models are not appropriate for Buddhist countries because they are based on a different metaphysics than that of the Far-Eastern worldviews.

The main goal of a Buddhist life is liberation from all suffering. *Nirvana* is the end state, which can be approached by want negation and purification of human character. 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.

Buddhism does not accept the assumption of man's superiority to other species. Its motto could be "noblesse oblige"; that is, man must observe kindness and compassion towards natural creatures and be good to them in every way.

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 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 the problems of overconsumption, welfare malaise and destruction of nature.

Buddhism recommends moderate consumption and is directly aiming at changing one's preferences through meditation, reflection, analyses, autosuggestion and the like. French economist *Serge-Christopher Kolm* developed a formal model to treat consumption and meditation together. (Kolm, S-C. 1985)

In a simplified form his model is as follows. Let "u" represents one's *well-being* (or "sukha"). Let "c" and "t_m" represent consumption and meditation. These variables are linked by the relation $u = u(c, t_m)$.

The acquisition of consumption goods takes time, because labor is involved in producing them or needs to earn money to buy them. Let this length of time be "t_a". The quantity of c is an increasing dependent variable of this, so $c = c(t_a)$.

We then have $u = u[c(t_a), t_m]$. Time should be divided between working for consumption and meditation. What is the optimal allocation between these two activities? The Buddha says that the optimum is some meditation to lower the desire for consumption and to be satisfied with less, and some consumption and thus to work that it entails. This is the "Middle Way". In economic terms this means "the marginal productivity of labor involved in producing consumption is equal to the marginal efficacy of the meditation involved in economizing on consumption without altering satisfaction". (Kolm, S-C. 1985: pp. 240-242.)

Desiring less is even fruitful in the case of money. In the West people presuppose that more money is better than less money. But, getting more money may have negative effect. Overpaid employees and managers do not always produce high-level performance.

Being under financed might be beneficial for a project. If people have smaller budget they may use the money more creatively and effectively. The Buddha had no budget at all for financing his mission.

Another 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)

Payutto argues for a spiritual approach to economics. He believes that Buddhism is well suited to this task because the Buddhist teachings offer profound insights into the psychology of desire and the motivating forces of economic activity. These insights can lead to a liberating self-awareness that slowly dissolves the confusion between what is truly harmful and what is truly beneficial in production and consumption.

Buddhism 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. *Tanha* and *chanda* both lead to satisfaction, but of different kinds. Using the example of eating, 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. Here, satisfaction results from experiencing the flavor of the food. But when guided by *chanda*, desires are directed to realizing well-being. We are not compelled to overeat or to eat the kinds of foods that will make us sick simply because they taste good. Instead, we eat to satisfy hunger and nourish the body. Here satisfaction results from the assurance of well-being provided by the act of eating. We enjoy our food, but not in such a way that leads to remorse.

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*, it follows 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. Buddhism distinguishes between two kinds of consumption, which might be termed “right” consumption and “wrong” consumption. Right consumption is the use of goods and services to satisfy the desire for 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.

At the heart of Buddhism 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” sought after by traditional economic thinking. In the mainstream economic model, unlimited desires are controlled by scarcity, but in the Buddhist model they are controlled by an appreciation of moderation and the objective of well-being. The resulting balance will naturally eliminate the harmful effects of uncontrolled economic activity.

Whenever we use things, be it food, clothing, paper or electricity, we can take the time to reflect on their true purpose, rather than using them heedlessly. By reflecting in this way we can avoid heedless consumption and so understand “the right amount”, the “middle way”. We also come to see consumption as a means to an end, which is the development of human potential. With human development as our goal, we eat food not simply for the pleasure it affords, but to obtain the physical and mental energy necessary for intellectual and spiritual growth toward a nobler life. Buddhist economics understands that *non-consumption* can also contribute to well-being. Though monks eat only one meal a day, 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 ourselves. 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 may be 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. To choose, we must distinguish between production with positive results and production with negative results; production that enhances well-being and that which destroys it. In this light, *non-production* can be a useful economic activity. A person who produces very little in materialistic 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 major characteristics of Buddhist economics as follows:

(i) realization of true well-being

The Middle Way, the right amount and knowing moderation and all of these terms may be considered as synonyms for the idea of balance or equilibrium. Knowing moderation means knowing the optimum amount, how much is “just right”. This optimum point, or point of balance, is attained when we experience satisfaction at having answered the need for quality of life or well-being.

(ii) not harming oneself or others

From a Buddhist perspective, economic principles 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 doesn't harm oneself (by causing a decline in the quality of life) and does not harm others (by causing problems in society or imbalance 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)

Influenced by Zen Buddhism Inoue claims that Buddhist motivation for work must be the pursuit of the interests of both oneself and others. So one should not engage in business that does not serve the world and then brag about being a philanthropist. Buddhist economics does not have profit as its principal goal. Instead, its primary objective is to serve the community. Profit will come, but it is a by-product rather than the main goal.

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 principles in Buddhist economics. It calls for the environmental and social assessment of products and industries which is a highly developed practice in Japan.

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, while not absolutely necessary, make living more tolerable,
- 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 is located in the context of the entire natural universe, therefore ignoring environmental and social costs appears to be quite absurd. Economic efficiency must be redefined in the form of “*not wasting*”. It carries with the goal of living happily in a simple way. 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. This is because any given product exists in relationship to the earth and human society as a whole. A recycling culture is economically sound.

Hong Kong based British economist *Richard Welford* made some further contributions to Buddhist economics. (Welford, R. 2006)

Richard Welford stresses that Buddhist philosophy turns the whole Western mindset upside down. In contrast to the anthropocentric worldview commonly characterized by Western culture, the Buddhist cosmology has the entire universe at its center. Human beings are humble in the totality and are just grains of sand in the vast, limitless ocean of space.

The *Four Noble Truths* of Buddhism address the dynamics of human suffering and give us a starting point for moving beyond the barrier of over-consumption. We can see the Four Noble Truths as typifying the problems in the achievement of sustainable development:

1. *Life is suffering.* This has to be comprehended. With increasing secularism and dissociation from nature and the environment, and rising levels of expectations inside and outside work, people are becoming less satisfied with life and the lifestyles they adopt.

2. *The cause of suffering is desire.* Unchecked desire has to be abandoned. Heightened levels of dissatisfaction have implications for consumerism: first, there is the erroneous perception that purchasing goods is going to make us happy, and second, because we are increasingly dissatisfied and thus unhappy or stressed, we are unable to deal with the changes needed.

3. *The cessation of suffering is the cessation of desire.* This has to be realized. By becoming aware that there is a root to the general societal malaise of avoiding environmental and social responsibilities, we know that there is a way of stopping such complacency to begin a path to sustainability.

4. *The path to the cessation of desire is practice.* To stop doing what makes us dissatisfied, we have to realize the cause of that dissatisfaction and keep trying to behave in a more sustainable manner. Buddhism shows us that this is difficult and requires ongoing commitment and practice.

Buddhism points out that even if one attains what one desires in the short run, greater desires always emerge. The *ego mindset* cannot be fulfilled and its greed for more satisfaction and recognition becomes the source of its own destruction. This becomes a source of suffering because the human spirit becomes captured by the avaricious mind.

Happiness might be seen as the ratio between wealth and desire. The capitalist system has been successful in increasing levels of wealth and thus increasing happiness to some extent. But through the epiphenomenal increase in people's desires for more, stoking up avarice and greed, capitalism has not produced great increases in happiness overall. The Buddhist approach suggests that people reduce their desires so that even the maintenance of current wealth increases happiness. As people become detached from desires, their levels of happiness will increase. This

may result in a reduced demand for consumer goods. It is an opportunity for businesses to concentrate less on providing non-essential consumer goods and more on providing essential goods and services to developing countries, introducing technologies that will remediate environmental damage and serve the poor and needy. Indeed, business will then become less exploitative and damaging and more worthwhile and productive.

Welford states that Buddhism can be the source of greater individual contentment and satisfaction and that this is more consistent with protecting nature and caring for the environment. There is a need to move away from mass-consumption economies toward a more environmentally restorative one.

While Western economics emphasizes self-interest and material development, Buddhist economics stresses interconnectedness and “inner development”. It would also place an emphasis on culturally appropriate economic approaches. A Buddhist approach involves an emphasis on sustainable development, where both human beings and living creatures can realize their potential, and where inner development and economic development are compatible, all in the context of a just society and a healthy ecosystem.

Buddhist economics sees little problem with activities that are beneficial to oneself, to one’s business and to one’s country, but only in circumstances of *non-harmfulness* to others. Establishing mutually beneficial transactions rather than exploitative ones is important. One distinguishing feature of Buddhism is that its adherents have never engaged in a religious war. Its emphasis on *peace* and non-harm needs to be translated into modern economics. Non-harm means respecting all human beings and all other creatures and developing a sense of respect for all life.

An economics based on respect would certainly help to reverse the mounting ecological crisis. Economics should be based on notions of fair “give and take”. If we are going to take something from the environment, we must be prepared to ensure that it can be replaced in one way or another. We need to develop a *restorative economy* where whatever damage is done to the environment is either restored or fully compensated for.

In his publications Thai economist *Apichai Puntasen* connects the Buddhist conception of happiness with Aristotle's concept of human flourishing. (Puntasen, A. 2005, 2007)

Aristotle differentiated necessities needed for survival and the higher value for flourishing of life known as "the good life". He explained further that "the good life" is the moral life of virtue through which human beings attain "happiness". The economic dimension involved was the role in supplying "wealth" through the production process in order to meet basic needs as well as to attain "happiness" or "the good life". The wealth that performs such a function has its "use" value, because it is useful to people. However, there is also another side of the coin, that is the "exchange" value. This value is determined in the market and originated from market demand driven by "desirability". Aristotle did not advocate for "exchange" value since it was driven by desirability and not by necessity or "the good life". This position is close but not the same as that of the teaching of the Buddha.

Because of the varying meanings of "happiness", Puntasen suggests to use the word *sukha* drawn from the teaching of the Buddha. The closest word to *sukha* is "*wellness*".

There is also a range of meanings for the word "sukha". It 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. Most of the time, pleasure and pain are different sides of the same coin.

Sukha from acquisition is a lower level of *sukha*. It can be the same as hedonism. However, at this level of *sukha*, the Buddha qualified it, namely, it must not cause any burden for one-self or any other living beings. Even with this qualification the Buddha recommended the attainment of a higher level of *sukha*. It is *sukha* from non-acquisition. It can be *sukha* from giving, from meditation, or from helping others to be relieved from pain. The highest level of *sukha* is derived from being emancipated or liberated from all impurities of mind or all the defilements.

A person, who has no pain, does not have to suffer. It can be seen then that sukha in *Buddha-Dhamma*, in the teachings of the Buddha, is more associated with mental development than with any form of acquisition. The most important tool to achieve this mental stage is through training of the mind to reach the stage of *panna*, the ability to understand everything in its own nature. Therefore, pañña is instrumental in being relieved from pain. With no pain, it will be sukha or wellness of the mind as well as the body.

Puntasen suggests that the mode of production in Buddhist economics can be defined as *panna-ism*. Panna is the supreme quality of the mind. It means the ability to understand everything in its own nature. Human beings who have panna do not seek to maximize pleasure or utility but seek to be relieved of and relieve others of pain as much as possible. With less pain there will be more peace and wellness.

Panna should be used to control all factor of inputs, such as technology, capital 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 from their work. Workers should not feel that they are being exploited but rather given opportunities to do something worthwhile for themselves as well as others. 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. Every attempt should be made to improve nature and environment at the same time. 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 in everything is needed, the rest can be given or 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*. Such knowledge will result in more understanding of the world, as well as the understanding of “nothingness” or “voidness” and no self to cling on to, the main cause for pain. This way excessive production is not needed.

The main purpose of Buddhist economics is to reduce pain or suffering for all living beings as much as possible. Buddhist economics insists that priority goes to those that are still in pain

because of inadequate materials to support their lives. Those who have more panna should only use what they need to maintain their own lives and give the rest to the more needy ones.

2. The Structure of the Book

The present book collects fresh contributions from economists and business scholars engaged in different Buddhist traditions, namely Tibetan Buddhism, Zen Buddhism, Theravada Buddhism and Western Buddhism. The first part of the book “*Buddhist Ethics Applied to Economics*” consists of theoretical and empirical papers which address issues of economic behavior and economic institutions in contemporary context. The second part of the book “*Achieving Happiness and Peace*” consists of analytical and normative contributions which deals with economic policy and organizational practice.

In her paper *The Relational Firm: A Buddhist and Feminist Analysis* economist and feminist scholar *Julie Nelson* (University of Massachusetts) emphasizes that Buddhism represents a relational ontology. In Buddhist philosophy, what really “is” are relations and processes. Things exist in a state of dependence on the relations that constitute them. The diversity and elaboration of these relations and processes has value. The intrinsic worth of relationality, and the responsiveness of humans to this worth through gratitude, compassion and care, form the basis for ethics which permeates the ground of being.

The insights of relationality extend to big, human-made and materially oriented institutions such as corporations and economies. Recognition of symmetric mutuality opens our thinking to ways in which co-workers might treat one another with respect. The recognition of asymmetric mutuality further opens up the possibility of thinking about relations of respect among people with different levels of power and different roles. Not all workers in an enterprise have equal abilities in leadership, inventiveness or finance. Enterprises can be structured in ways that take advantage of people’s different qualities of power, while still retaining a fundamental attitude of mutuality.

Julie Nelson argues that limiting possible relationships to either arms-length contracts or hierarchical control rules out the idea that values, group identity, mutuality, non-hierarchical structures or ethics could play a role within and among contemporary business organizations. Yet the evidence on employee behavior suggests otherwise. Real humans do not simply leave their needs for social relations, their values, their loyalties and their creativity at the workplace door. People work better when they are supported, empowered and allowed to draw on their own creativity than when they are consistently treated as potential shirkers who have to be brought under control.

Buddhist thinking does not prescribe replacement of for-profit businesses with systems of small-scale and cooperative enterprises as the cure for economic suffering – concludes Julie Nelson. The ethical merit of organizations cannot be pre-judged on the basis of size alone or by the purposes written on their articles of incorporation. Organizations must be evaluated by what they do. Small, purportedly “loving” families are often the sites of domestic violence. Small non-profit hospitals often exploit their own workers for the sake of keeping costs in line. Large, for-profit corporations have at times taken actions that show that they can be good workplaces and responsible members of social and environmental communities – when given a chance and especially when encouraged in these directions by consumer, shareholder and political activism.

In his paper *Buddhism and Sustainable Consumption* Australian environmental economist *Peter Daniels* (Griffith University, Brisbane) aims to identify and discuss how the Buddhist worldview can inform and enrich the efforts to modify consumption into “sustainable consumption” forms that can bring about and sustain better quality of life and well-being for humans and the living environment. The emphasis is deliberately placed upon consumption or demand-side activities but this is not meant to disparage the important and interconnected role of production. Together production, consumption and exchange form the essence of economics as the study of livelihood activities and how people, communities and societies manage, distribute and utilize their scarce human and natural resources in the process of “earning their living”.

Daniels begins with an overview of the concept and the meaning of sustainable consumption, its role in the general paradigm of sustainable development and its general links to the concerns of

Buddhism. After discussion of the need for an ethical basis for a more profound shift towards sustainability, the paper details some of the major themes, commonalities and beneficial exchanges of ideas between the Buddhist world view and sustainable consumption. Linking sustainability and Buddhist notions Daniels describes some approaches for assessing consumption in terms of its environmental and “karmic” disturbance impact. Some of the studies of problematic modes of consumption are reviewed and major conclusions are presented examining the primary strategic needs for achieving sustainable consumption in light of the Buddhist economic perspective.

In her paper *Economic Sufficiency and Santi Asoke* economic sociologist *Julia Essen* (Soka University of America) argues that to ensure a just and sustainable future for all, the dominant forms of economic thought and practice must be reunited with ethics that are more caring of the human-nature base. Lessons may be learned from alternative economic models based on religious, spiritual, environmental or feminist values regarding the content, the process and the potential results of such a shift. Julia Essen’s paper presents two Buddhist economic models: the Royal Thai Sufficiency Economy Model and the approach adopted by the Santi Asoke Buddhist Reform Movement of Thailand.

Sufficiency Economy which operates on the principles of moderation, reasonableness, self-immunity, wisdom and integrity, was publicly introduced by the King of Thailand following the 1997 economic crisis and is now championed by the UNDP. The model has succeeded in fostering well-being at the individual, firm, community and regional levels across rural and urban sectors and shows promise for national policy due to its ability to coexist with capitalist economic strategies. *Asoke Movement* is not as likely to propagate widely: its intentional communities aim to release material attachment and attain spiritual freedom, and in doing so, they exhibit ascetic tendencies and a biting critique of capitalism. However, Asoke Movement does offer more explicit social and environmental ethics.

Both Buddhist models suggest that development must start with the individual, particularly in terms of mental development. At the same time, as manifestations of a hierarchical philosophy, both allow for guidelines and policies to be issued from above so leaders may speed the “right

development” of their constituents. The hierarchical aspect may have a downside in that it may reproduce structural inequalities that result in uneven distribution of economic costs and benefits. Julia Essen concludes that as a fix, an ethic to promote social equality and equity must be more clearly articulated.

In his paper *Pathways to a Mindful Economy* institutional economist *Joel C. Magnuson* (Portland Community College, Oregon) introduces the conception of Mindful Economics which is centered on the core values of social justice, the well-being and sustainability of all life, and economic stability. These values are not means to some further end, but are ends in themselves. The ultimate goal is to provide guidelines for broader movements of community development. Beginning at the local level, people can build new institutions by creating community corporations that have these values written into their corporate charters, bylaws and articles of incorporation. As the Mindful Economics movement grows, key businesses, financial institutions, government agencies and labor unions in the local community can all be organized along these values.

Drawing from the institutionalist tradition of Thorstein Veblen, Karl Polanyi, John K. Galbraith and others, Mindful Economics is also based on the idea that economic institutions are embedded within a broader cultural milieu. With a common set of shared values, these institutions can embed themselves into the local community and cohere with other institutions. Together they can evolve into broader economic systems. Magnuson’s paper is an effort to contribute to the evolution of community-based systems in which economic activity is rooted in democratic processes, socially controlled by an active citizenry, and shaped by core values shared by people in their communities.

In his paper *Do Our Economic Choices Make Us Happy?* British economist *Colin Ash* (University of Reading) overviews the academic literature on economics and subjective well-being (or happiness). He warns that for about 150 years, economists were utilitarians. The aim of policy should promote “the happiness of the greatest number”. The problem was then and still is, how to measure happiness? One could simply ask people how they feel, and many surveys of subjective well-being do just that. However without any means of making interpersonal

comparisons of reported happiness, these surveys give little practical guidance to policy-makers. So from the 1930's onwards, attention shifted towards a much easier, admittedly imperfect, measure of welfare – GNP, the sum of a country's income or spending or output.

Economic analysis of the relationship between income and happiness reveals a paradox: over the past 50 years rich countries have become much richer, though people are on average not happier. Within rich countries, the rich are much happier than the poor. However increases in income have not made either group any happier. There is clear evidence of diminishing marginal returns from increases in income, a consequence of both adaptation and social comparison. Many other factors are shown to affect well-being, once basic material needs are satisfied. In particular, the formation and fracture of high trust, close relationships have a more lasting impact on happiness than does income.

Clearly many of our economic choices often do not bring us happiness. Colin Ash demonstrates a remarkable symmetry between the conditioning process of dependent origination, which from the Buddhist perspective explains unhappiness, and recent findings of psychologists researching happiness. Both emphasize that individuals are endowed with and motivated by a fundamentally incorrect theory of happiness: that it is achievable by pursuing desire. Both point to a case of mistaken identity: that individuals identify with transitory (economic and other) phenomena. Both draw attention to the prevalence of other “deep” cognitive errors which infect the process of decision making.

The purpose of the Buddhist agenda is to stop suffering. As suffering, in the sense of unsatisfactory conscious experience, is internal and conditioned, meditation is central to Buddhist practice. Simple techniques are used to calm the mind and sharpen the awareness or attention. The various components of dependent origination can then be observed more objectively, in detail, and with increasing refinement.

Another strand of Buddhist meditation cultivates positive mind-states. This is the stuff of mood control, by which one develops a positive attitude towards oneself and others, and a resilience to fluctuations in one's own fortunes. These practices have the therapeutic benefit of promoting

subjective well-being; at the deeper level of insight, they erode a concept of self which is bounded, independent and permanent.

Buddhist meditation practice, like other therapies, has the potential to raise an individual's baseline level of subjective well-being. Meditative absorption brings a deep sense of enjoyment, both affective happiness and 'flow'. Nevertheless happiness is not the ultimate goal of Buddhism. The cessation of suffering is. So Colin Ash's conclusion is that Buddhism could be viewed as a form of negative utilitarianism.

In his paper *Gross National Happiness* Dutch management scholar *Sander Tideman* (Global Leaders Academy) discusses the concept of Gross National Happiness or GNH which was first expressed by the King of Bhutan in the 1980s. Acknowledging that Bhutan may score low on the scale of conventional indicators for a nation's economic performance (like Gross Domestic Product or GDP), the King claimed that his country secluded in the Himalayas would score high on an indicator measuring happiness.

Sander Tideman's paper takes the perspective that Gross National Happiness can be regarded as the next stage in the evolution of economic indicators for sustainable development, going beyond merely measuring values that can be expressed in money. GNH is an attempt to develop an indicator that accounts for all values relevant to life on this planet, including happiness. Moreover, by taking happiness as the objective, GNH serves as an important yardstick for a framework of Buddhist economics.

The search for alternative indicators of economic progress is critically important at the time when contemporary world faces a growing threat of ecological collapse due to climate change, ecosystem loss and rapidly depleting natural resources. We can no longer rely only on measurements such as GDP that only measures material and financial capital while ignoring natural and social capital. Conventional economics and its indicators deliberately leave phenomena such human happiness outside its spectrum, tacitly assuming that income per capita growth is positively correlated to human well-being.

Breakthrough research in quantum physics, medicine, biology, behavioral science, psychology and cognitive science is now making the science of the mind relevant to economics. Conversely, from within the profession of economics, attempts are being made to broaden the scope of economics into the domain of psychology, which led to the emergence of behavioral economics and neuro-economics. Tideman's paper explore what Buddhist psychology and philosophy, which inspired the Buddhist King of Bhutan to conceive of Gross National Happiness, have to offer to the shift in economic thinking.

In their paper *The Application of Buddhist Theory and Practice in Modern Organisations* organizational scholar *Bronwen Rees* (Anglia Ruskin University) and Tibetologist *Tamas Agocs* (Buddhist University of Budapest) begin with the observation that many organisations in the West are characterised by high levels of anxiety leading to increasing absenteeism and mental and physical burn-out. Part of the problem is caused by the divisive nature of 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 their sensory world and thereby isolated. The paper by Rees and Agocs explores the conditions of the so-called 'empowered' modern workplace, and shows how a secularised Buddhist method, combined with action research methods, can address issues of power, and thereby release the creativity and sense of community of individuals within it. It is argued that, unlike monotheistic religions, which require either a set of beliefs or a revealed truth, Buddhist insights can be conceived of as a set of practices, a methodology, through which one can gain a greater sense of interconnectedness and 'transcend' an isolated sense of self. It is an invitation to experience oneself in greater and greater depth, and to experience that sense of self in relationship to others.

Empirically, the paper outlines the stages in the development of a team of practitioners and researchers based both in the U.K. and in Hungary who came together through a common interest in awareness practices and a belief that meditation held a largely untapped potential to improve the quality of organisational life, be it within business or the public sector. This team, Crucible Research, set out to find a language and methods that could address these emotionally crippling aspects of modern organisational life. The paper explores the methods and practices that they are developing, and points to a possible new way forward of meeting one another, as

members of an organisation, as members of different cultures, as men and women.

In his paper *Leadership the Buddhist Way* Dutch management consultant *Laurens van den Muyzenberg* – a long-time co-worker of His Holiness the Dalai Lama – focuses on leadership of business. He argues that 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 (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.

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 the wrong view for several reasons. Profit is the result of having satisfied customers, satisfied employees and satisfied shareholders. 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.

Van den Muyzenberg suggests that the term “capitalism” is an unfortunate and misleading word to describe our economic systems. Capital is a means to an end. A farmer with one cow is already a “capitalist” as he has had to invest capital (savings or a loan) to buy the cow. He believes that a much more accurate description about what we should aim for is the “Free and Responsible Market Economy”. Prosperity and happiness depend on freedom. That freedom however must be linked with responsibility with the Right View and Right Conduct. It implies that all have to accept that happiness and prosperity can never be attained by exclusive concentration on increasing material wealth; that freedom and spiritual wealth are equally important.

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