

Introduction

LUK BOUCKAERT
Catholic University of Leuven

HENDRIK OPDEBEECK
University of Antwerp

LASZLO ZSOLNAI
Corvinus University of Budapest

Why Frugality?

*'Every prodigal appears to be a public enemy,
and every frugal man a public benefactor.'*

(Adam Smith)

*'There is an older path to reducing our impact
on the planet that will feel familiar to Evangelical
Christians and Buddhists alike. Live simply. Meditate.
Consume less. Think more. Get to know your neighbors.
Borrow when you need to and lend when asked.'*

Time Magazin (April 9, 2007)

Authors define frugality as an ideal and an *art de vivre*, which implies low material consumption and a simple lifestyle, to open the mind for spiritual goods as inner freedom, social peace and justice or the quest for God or 'ultimate reality.' Frugality as a conception of the good life has deep philosophical and religious roots in the East and the West. Monks and religious people all over the world practice it in different forms of asceticism, self-restriction or free-chosen poverty ('voluntary simplicity'). But even nonreligious philosophers

in the tradition of Epicurean ethics or the Stoa emphasize that frugal tastes and lasting enjoyment go hand in hand. Although for religious ethics frugality is a spiritual virtue, for nonreligious ethics it is a rational virtue to enhance happiness.

In economics, the frugal and industrious man has been praised by Adam Smith and promoted by Max Weber as the embodiment of worldly asceticism, the protestant driver of early capitalism. But by focusing on the instrumental value of frugality as a means to increase material welfare, they initiated a shift in the meaning of frugality. Frugality became related to savings and to investments for enhancing future welfare. This instrumentalization of frugality ends paradoxically in its elimination on the economic scene. Consumerism and material greed, just the opposite of frugality, are the basic drivers for increasing wealth and lead to an erosion of the intrinsic and spiritual meaning of frugality.

This book aims to answer the following questions: What arguments do we have for reintroducing frugality to economic life? What are the spiritual resources that foster a frugal lifestyle? What are the social and economic implications on a macro and micro level? How can we connect frugality to more accepted ideas such as sustainability in business, ethical consumption or distributive justice? What kinds of practices can realize and promote frugality today?

Issues and Themes

We here summarize the main points developed by the authors in the chapters of the book.

In his paper ‘Rational versus Spiritual Concept of Frugality,’ *Luk Bouckaert* (Catholic University of Leuven and European SPES Forum) argues for the shift from a rational to a spiritual concept of frugality in social ethics and business practices.

Bouckaert begins his analysis with the rational philosophy of Epicurus. The *Epicurean ethics* of sustainable enjoyment provides us with two principles about frugality. The first principle states that frugality is the result of a rational assessment of pains and pleasures. We may not know clearly what pleasure is, but we do know pain, anxiety and confusion, so we can continue to seek pleasure by banishing all forms of pain, anxiety and confusion. The highest form of pleasure is ataraxia – or imperturbability – a state in which the soul is as the sea when the wind has calmed. The second principle of Epicurus is to simplify our needs. The more desires one has, the greater the chance that they will not be satisfied, thus leading to suffering. So a person ought to restrict and simplify his or her needs.

Frugality, as Epicurus taught us, is a rational virtue. Activities and needs should be ordered in such a way as to lead to maximal pleasure in the long term and a proper balance among the various sorts of needs. Sustainability in today's business world has a similar logic. Business sustainability seeks a proper balance among financial, social and ecological objectives and, in the name of future generations, puts limits to our welfare ambitions. But short-term pressures of the market may lead to quite the opposite of long-term social and ecological value creation. Despite its ethical attractiveness and social necessity, sustainable business practice seems doomed to failure, notwithstanding all rational arguments to the contrary.

Although the 'Spiritual Homo economicus' does not exist in textbooks of mainstream economics, he or she might be found among entrepreneurs and business leaders, whether they are for-profit or social-profit organizations. His or her profile would comprise one who is market-oriented, efficient and driven by a genuine social and ecological spirituality.

For Bouckaert the famous painting 'St. John the Baptist in the Wilderness' by Geertgen tot Sint Jans represents an illuminating example of *spiritual frugality*. Spiritual frugality releases the human mind from the active, self-seeking ego. By this move from ego-centeredness to other-centeredness the world is transformed from a wilderness into a garden, similar to the biblical Garden of Eden.

This spiritual interpretation of frugality has another intentional and motivational structure than the rational, Epicurean approach or the ascetic approach of some religious traditions.

For Epicurus, the cause of our inability to enjoy lies in the short-sightedness of reason: People seek short-time gain rather than durable and lasting satisfactions; they chase after all manner of imagined or inculcated needs at the expense of basic human needs. For St. John, the source of our inability to experience the joy of life is of a different order: Human reason is blinded because it takes the logic of self-interest as the ultimate standard. It is no longer capable of listening to the voice of the invisible Other or hearing the inner voice of things. These two perspectives give rise to a permanent tension between spirituality and rationality. One can, for example, undertake all sorts of charitable works or ascetic exercises with the perhaps-unconscious goal of enhancing one's ego rather than listening to the Other – an ambiguity to which many spiritual writers draw our attention.

The same ambiguity can also be found in sustainable business practice. The contemporary practice of dealing prudently and frugally with the environment uses arguments that are mostly based on a standpoint of well-considered self-interest and long-term benefit. But here, too, the practice of sustainability will only succeed if it is supported by a sense of ecological interconnectedness.

By presenting the case of the *Trappist Brewery of Westmalle* in Belgium, Bouckaert provides an inspiring example of how a spiritual concept of frugality can be combined with good entrepreneurship. At present it is a private limited company that belongs to the monks of the Trappist Abbey of Westmalle. Under the monks' supervision the modern brewery is managed by a team of competent laypeople and their beer is consistently awarded among the best in the world. Although the company is highly modernized and successful in its commercial activities, the balance between spiritual and material needs is part of the production and distribution process. The spirit of frugality is implemented in concrete choices about the quality of

the product, the scale of the production, the relations with the personnel, the advertisement, and the use of profit. It is clear that the business decisions are not commanded by the logic of maximizing income and financial profit for the Abbey. They have a spiritual bottom line expressed in the charter of the brewery. The key elements of this charter are (i) limits to growth, (ii) deep ecological respect, (iii) work as a spiritual value, (iv) honest and sober advertisement and (v) sharing profit.

Spiritual-based enterprises are different in size, production factors, and religious convictions but we always found the same ingredients of frugality praxis in them as in the Trappist Abbey of Westmalle. For some entrepreneurs it remains difficult to see the difference between the ethical/rational and the spiritual approach. Bouckaert reassures us that although there is a rational case for a spiritual and frugal life, the meaning of a frugal and spiritual life cannot be fully expressed in rational terms. It requires an immediate awareness of the nonfunctional, intrinsic or symbolic presence of things. A genuine spirituality of frugality needs instrumental economic rationality to implement it but cannot be substituted by rational economics. What we need is a *spiritual-based* and *rationality implemented* praxis of frugality.

In his paper ‘Frugality and the Body,’ Cambridge-based missionary and priest *Rafael Esteban* explores the theories of Chilean economist Manfred Max-Neef on ‘human needs and satisfiers’ to set the foundation for a critique of the dominant economics of growth, which leads not only to unsustainable consumption and lack of distributive justice but to a radical debasement of human beings as ‘material consumers’ with the loss of their spiritual worth as ‘temples of the Holy Spirit.’

Esteban criticizes the dominant ‘development’ paradigm, which sees communities and people of the Third World as ‘undeveloped’ and undermines their well-integrated traditional settings and cultural structures. This is caused by the blindness of the ‘agents of change’ to the cultural values and wealth of those communities. Coming

from the rich world, we have related to them as ‘poor beggars,’ and that is what they have become. It is a clear case of a self-fulfilling prophecy. This is the result of asymmetrically destructive power relations in which our economist ideology, by reducing all needs to material needs, makes us blind to spiritual values and strips people of dignity while feeding them.

The ideology of the consumer culture promises happiness in the acquisition and consumption of an ever-increasing amount of commodities, but the economic system built on it does not satisfy real needs. On the contrary, it creates ever-increasing wants by cultivating greed and results in structural dissatisfaction. The obsession with the satisfaction of material wants slides in a frantic grab for ‘luxury.’ This relates fully to the ‘fornication’ against which St. Paul warns us: our ‘prostitution’ to Mammon.

Max-Neef’s economic theory aims at rethinking the modern Western notions of poverty and wealth with a systemic understanding of human nature. For Max-Neef, human nature is defined by a system of human needs that have to be satisfied throughout life to result in human growth. Material (bodily) needs are but a small part of the system of basic needs. There are nine human needs altogether: subsistence, protection, affection, understanding, participation, creation, recreation, identity and freedom. These human needs have to be satisfied at the four existential modes as follows: being, having, doing and interacting. When the nine needs are combined with the four existential modes, this produces a matrix of 36 cells, which can be filled with a complex system of satisfiers.

Esteban states that Max-Neef’s distinction between ‘needs’ and ‘satisfiers’ and the shift in reflection from material poverty exclusively to a plurality of ‘poverties’ have proven to be first class tools for assessing the ‘health’ of individuals and groups (families, communities, organizations, cultures). A systemic approach highlights the connection among (i) human needs, (ii) human rights as comprised by the right of all to access to a harmonic system of satisfiers of human needs and (iii) the responsibility of all (individuals and groups) to contribute in the measure of their potential to the health of the system.

In Max-Neef's perspective societies and individuals can be dysfunctional not only through deprivation of the economic goods but also through the excess consumption of those same goods. The world is not divided between the 'haves' and the 'have-nots' but between a majority that do not have enough and a minority that has too much. And the real trouble is that the deprived majority does not aspire to have 'enough' for a decent human living but aspires to participate in the unlimited race to growth of the 'consumer society,' deepening the unsustainability of the present economic system.

The strategies for real human development have to be based, not on increased production and consumption of economic goods, but on the creation and nurturing of 'synergistic satisfiers' propped by a minimum of economic goods. *Frugality* enters the picture here as the ability to find what is the essential use of material resources and economic goods needed to achieve the satisfaction of all basic needs in a given situation. This puts economic goods ('the body') in their right place at the service of 'healthy (holy) living' and interacting: the body becomes the temple of the spirit.

To propose an alternative economic system based on frugality, Esteban uses the example of Basic Christian Communities in Central and Latin America. *Basic Christian Communities* (BCCs) are constituted from a complex system of noneconomic inputs and need little in the shape of economic resource infrastructure. They rely on what is locally available and keep infrastructures to a minimum, preferring to use local resources to tackle challenges in their social environment. This is needed to remain autonomous and insure self-reliance. BCCs are small and local and do not need complex (and expensive) administrative or physical structures.

Esteban suggests that it is not evident that we should find inspiration from the main world religions (Christianity, Islam, Hinduism and Buddhism) to develop an alternative paradigm to consumerism. It is perhaps in the spiritual wealth and experience of the rich variety of 'ethnic religions' that we can find precious patterns of how to be human. The most interesting thing is that BCCs try to recover the best of what is lost through the progressive disintegration of

traditional cultures. Autonomous communities – through a great adaptation to the possibilities of their environment – create sustainable ways of life that respect the rules of life itself and provide ways toward human flourishing for the greatest number. Following the examples of survival cultures, we have to develop a culture and an economy that prizes nonmaterial goods (the spirit) above material goods (the body). An economy that gives priority to synergistic satisfiers of nonmaterial needs could grow without squandering our limited material resources. We have to abandon the ‘idolatry of the body’ if we want to survive and flourish as human beings without destroying the world.

In his paper ‘How the Idea ‘Created Co-Creator’ Can Contribute to the Nurturing of Frugality in Economic Life,’ *Francis Kapdalackal* (Catholic University of Leuven) argues that the theological concept ‘created co-creator’ can be a good tool for conceptualizing the concept of frugality and can thus contribute to the shaping of attitudes and behaviors favorable to sustainability, environmental protection and ethically qualified consumption.

The term *created co-creator* was introduced by *Philip Hefner*. According to Hefner, human beings are God’s created co-creators whose purpose is to be the agency, acting in freedom, to birth the future that is most wholesome for the nature that has birthed us – the nature that is not only our own genetic heritage, but also the entire human community and the evolutionary and ecological reality to which we belong. Exercising this agency is said to be God’s will for humans.

Kapdalackal argues that the theology of the created co-creator offers us an ethically justifiable and theologically qualified anthropological framework, which can help us to reaffirm and reposition frugality in the modern world. The growth of consumerism and the impacts of globalization have continually downplayed the meaning, function and significance of frugality. But the concept created co-creator can open up new possibilities to place it back on track.

First, the theology of the created co-creator reiterates that the human person has to be perceived as a creature, created by God in love. The fact that we are created explains our dependency on God, nature and other human beings for our existence. Our role and function in the world cannot be understood in terms of separate entities, but are instead incorporated into the purposes of creation. As creatures, we are not above the natural world, but we are part of it. The created co-creator posits respect for nature as an essential condition and as a basic attitude that should characterize our life on earth. If we truly respect the natural world, we should accept the limits that are imposed on us by nature and embrace a frugal way of life.

Second, that we are created refers also to our relationality. It is through a spectrum of relationships that the human person realizes his or her human dignity, which flows forth from the dignity of God. In our interactions with the natural world and other human beings, we are called upon to foster respect, love, concern, and care for all that God has created. The relational dimension also invites us to foster sharing as an important element of our life. Frugality can help us overcome our selfishness and egoism, which result in the abuse of the resources of the earth. Moderation gains ethical qualification through the limited use of the earth's resources, but it gains even more when it operates by fostering the willingness to share what we have with others.

Third, freedom can be considered the defining category of the created co-creator. Freedom presupposes responsibility as a necessary condition. Acting in freedom, the created co-creator has to make choices in life that are in line with the purposes of creation. As a choice frugality can be justified because it helps create a just society by eradicating social and economic inequalities that have deep roots in contemporary societies. A frugal lifestyle can help the just and equitable distribution of the earth's goods. As Mahatma Gandhi used to say, 'There is enough for everyone's need, but not for everyone's greed.'

Fourth, the created co-creator stresses the creative qualities of the human person. We are called upon to be creative in our life

so that we can continue the creative work of God and bring the creation to the purposes that God has for it. A frugal way of life involves an active engagement to develop the world and the natural resources in the best possible way. Frugality can help us to make those choices that are not detrimental to the environment. Through hard work the created co-creator brings creation to its perfection and defends the proper use of material goods through the practice of temperance.

Fifth, the creative dimension of the human person can also help us to highlight the necessity to build up a *sustainable society*. Creativity involves the prudent and sustainable use of nature and natural resources. We are responsible not only for the present state of affairs, but also for the future of the world. Genuine development should take into account the rights of *future generations* to a habitable place. As created co-creators we are responsible for leaving behind a healthy environment for those yet to come. Frugality enables us to extend our concern not only to the world as it exists, but also to future generations.

In his paper 'Quaker Simplicity' Oxford-based environmentalist *Laurie Michaelis* analyzes simplicity in the *Quaker tradition*. Quakers have practiced an ethic of simplicity since their 17th-century origins. For much of the 20th century that ethic kept a low profile in Friends' identity and discourse. But it is a shared core value for all Quaker groups. Liberal Quakers are paying renewed attention to *simplicity* concerning the environmental and social impacts of the Western lifestyle.

A commitment to simplicity had several functions for earlier Quakers. First, it was seen as a condition for a healthy relationship with God and the self and a central virtue for the Christian life. Second, it was an aspect of a healthy relationship with others in an egalitarian community within a society where old hierarchies would be abolished. Third, it was a condition for a healthy relationship with the wider sphere of humans and other life forms.

The Quaker ethic of simplicity has developed throughout the centuries. Its prominent values and characteristics include the following: (i) commitment to freedom of individual thoughts and beliefs, with respect and encouragement given for the ideas, insights and concerns of individuals; (ii) pluralism in theology and personal spiritual paths; (iii) an egalitarian and inclusive framework where anyone present may speak both in meetings for worship and in meetings for administration and decision making; (iv) encouragement for selflessness – individuals are expected to lay aside their own positions and interests in such meetings; (v) strong concern for due process; (vi) repeated and careful testing of decisions in a hierarchy of meetings, starting with the individual in the local meeting and working up to the national level in the Yearly Meeting; and (vii) extensive allocation of roles within the structure but always for limited periods so that individuals do not become attached to their positions.

In 2002, a network of Quaker meetings (coordinated by Michaelis) set to work in the *Living Witness Project*, exploring and developing approaches to sustainable living in groups. The project is essentially an action inquiry, encouraging participating groups to experiment with diverse approaches and to reflect and learn together from the outcomes. While some groups have focused on encouraging participants to change their own lifestyles, the most successful groups are those that have developed a range of outward-looking activities. Participants in those groups do report changes to simplify their own lifestyles or to adopt environmentally friendly technology. These changes seem to happen as a result of being part of a group with shared and articulated values, augmented by a tendency toward congruence of those articulated values with lifestyles and actions. Some individuals in these groups have developed low-impact lifestyles, generating less than 5 percent of the UK average of waste per person (after recycling and composting), and producing less than 20 percent of the UK average of greenhouse gas emissions. They have found that lifestyle change is possible, that it is much easier with the

support of an ongoing group, and that it can be a fascinating and joyful experience.

Quaker approaches may be accessible to secular groups partly because Quakers stress processes rather than beliefs. They are of interest for individualized societies, because Quakers have found ways of balancing the diversity of individual approaches with the need to develop a community of shared values and mutual support. In the end, Michaelis argues, we should seek to learn whatever we can from a group that has shown the ability to make a conscious choice for simplicity.

In his paper 'Overconsumption' political activist and sociologist *Dirk Geldof* (of the Flemish Green Party) argues that to get broader support for frugality and sufficiency, we have to recognize the functions of consumption. It is possible to frame sufficiency and frugality as positive ways to a better quality of life. Only if we succeed in creating such a positive image and stimulating praxis can it become an alternative to the present overconsumption, which is not only unsustainable and socially unjust but causes welfare-related diseases.

Geldof believes that Western lifestyles and overconsumption are a dead end. They are not sustainable, they force people to work harder and longer, and the end result is that increased consumption no longer increases satisfaction or happiness. *Sufficiency* can be an alternative to overconsumption. First, sufficiency is a crucial element in strategies for sustainability, besides efficiency and consistency. Second, sufficiency and downshifting are alternatives to the retrace resulting from the cycle of work-and-spend. Third, sufficiency and downshifting will give us more time to enjoy our lives, rather than exacerbating tension between our endless desires and the lack of means.

But sufficiency can gain importance for larger groups of wealthy societies, if we stress the positive functions of consumption. Sufficiency should not be about saying goodbye to material wealth and repressing all our desires. We should focus on how to deal with our wealth, how to satisfy our desires more deeply and how to enjoy

a qualitatively better life by consuming less. The *Slow Food Movement* is a fantastic example. It is a way toward using more qualitative foods and meals, in a more convivial society, while recognizing the ecological limits of the earth. It is a way toward greater and more intense pleasure through accepting limits.

In their paper 'Frugality and the Moral Economy of Late Modern Capitalism,' *Ronald Commers* and *Wim Vanderkerckhove* (Ghent University) reflect on the 'spirits of capitalism' from a historical perspective. They show that the 18th-century debate between Mandeville and Shaftesbury resonates with the different conceptualizations of stakeholder and their implications for corporate governance. They argue that the notion of frugality is important with regard to inter-human relations of production and favor the changing of public standards of taste justifying frugality's issues. They link frugality in production with frugality in consumption and give a modest defense of frugality in economic terms.

Commers and Vanderkerckhove recall that at the end of the 17th and the beginning of the 18th centuries, *Mandeville* spoke out against frugality for the few, on the condition that they could afford a good life of more or less controlled big spending. And he opposed respectable life conditions and human dignity for the paupers. The best they could hope for was a frugal life free from the harshest forms of misery. The *Earl of Shaftesbury*, by contrast, contested the benefits of luxury for all men, rich or poor. It is not that money and material wealth are in themselves harmful, but the temptations linked with them spoil the human character and civic behavior of the many. A luxurious life, by all means, will be injurious to social sensibility and the power of reasonable judgment in the individual human person. Frugality in matters of desire and simplicity in the human condition will promote and stimulate social bonds between fellow men. To this purpose they should free themselves from the desire to consume.

Commers and Vanderkerckhove show that the disagreement between Mandeville and Shaftesbury depicts one of the most crucial concepts today in business ethics – the concept of *stakeholder*.

Goodpaster and Sternberg follow the Mandevillean line of reasoning: The best that workers can hope for is ‘a frugal life, free of the harshest form of misery.’ Milton Friedman’s formulation is that there is a fiduciary relationship between management and shareholders and the best other stakeholders can count on are considerations of common morality. The implied corporate governance here remains centered around the principal-agent theory and the primacy of the shareholder. On the other hand Wicks, Gilbert and Freeman follow Shaftesbury’s line of thinking: To maintain the coexistence of perspectives and take care of the interdependencies among various stakeholders, one needs to forgo maximization of any single stake or interest – thus engendering a frugality for all. With regard to corporate governance, this line of thinking favors democracy in the workplace and is centered around co-determination by the various stakeholders.

Commers and Vanderkerckhove insist that frugality with regard to the desire to consume must be linked with frugality in corporate governance. Thus it seems that the *new consumerism* cannot do without co-determination at the workplace. We cannot have the affluence for the few unless we disconnect and disrupt equal relationships between individuals and their embeddings in communities. Frugality urges us, Commers and Vanderkerckhove point out, to use a discourse of inclusive responsibility.

In their paper ‘Consumerism and Frugality – Contradictory Principles in Economics?’ *Knut Ims* (Norwegian School of Economics and Business Administration, Bergen) and *Ove Jakobsen* (Bodø Graduate School of Business) argue that to attain a sustainable scale of production and consumption, fair distribution of resources and wealth, and efficient resource allocation, rethinking economy within a worldview characterized by integration, dynamics and holism must occur. They suggest that we should think of sustainability and life quality as overriding goals.

For Ims and Jacobsen frugality means that individuals practice restraint in both acquiring and using economic goods and services

in order to achieve lasting and more fulfilling goals. At an aggregated level, frugality stresses low consumption that meets long-term personal, familial, and communal needs. Another ideal of frugality is to reduce waste by changing habits of consumption.

Ims and Jacobsen argue that in the *Aristotelian Christian tradition* we can find important, inspiring sources of an economy of frugality. In the Thomistic tradition, one important notion is that the use of external goods has a natural limit. Material wealth is needed to a certain extent, but it should be used only as an instrument. This view corresponds to Aristotle's golden mean, which in several ways can stand as a model of an economy based on frugality, because it condemns excesses.

Ims and Jacobsen find that growth in production and consumption is translated to welfare in a mechanical perspective. Growth in welfare is an important goal in most countries today. If we change the focus to frugality, we find that this concept has to have connotations for *life quality* and *well-being*.

In his paper 'The Urgency of a Frugality-Based Economics' *Hendrik Opdebeeck* (University of Antwerp) analyzes *E.F. Schumacher's* contribution to a frugality-based economics. Schumacher developed an alternative, intermediary economic system for a society that is in need of stability and change, of traditions and reforms, of the protection of public and private interest, of growth and decay, and of order and freedom.

The ethics of an economy that guarantees peace insists on the value of *enough*, or frugality, so that discontentment and violence against nature and man can be avoided. Schumacher says, 'We must define the economic concept of 'enough.' If there is no idea of 'enough,' all problems become insoluble.' The reason that the violence provoked by the economic system has not (yet) led to destroying that system is that interpersonal violence is being channeled into international problems and dangers like the explosive arms race and environmental degradation.

Opdebeeck states that a more encompassing paradigm based on frugality (involving a lower consumption) is required and doubts whether eliminating scarcity or maximizing utility are valid as relevant points of departure for our time. Rather, the case can be made that today's major problems may well in essence be caused by the central position awarded to scarcity and utility as basic categories. Thus there is a need to elaborate a *frugality-based economic paradigm* that is able to tackle contemporary problems in a less one-sided manner. Here we are back at the origins of the word frugality in Latin: 'frugalis,' meaning useful in a worthy way, and 'frux,' meaning productive in a fruitful way. In this way the general assumption becomes evident that while frugality is contrary to consumerism and excessive economic productivity and growth, it is not contrary to economic usefulness or rationality.

In his paper 'Frugality First,' *Herman Daly* (University of Maryland) uses ecological-economics arguments to show that frugality should precede efficiency in achieving sustainability. He suggests understanding *sustainability* in the terms of *throughput*. According to Daly physical throughput should be sustained; that is, the entropic physical flow from nature's sources through the economy and back to nature's sink should be nondeclining.

Daly states that the problem with 'efficiency first' is what comes second. An improvement in efficiency alone is equivalent to having a larger supply of the factor whose efficiency increased. The price of that factor declines and more uses for the cheaper factor are found. The net result is that there is greater consumption of the resource than before, even if it is produced more efficiently. So scale continues to grow. A policy of 'frugality first,' however, induces efficiency as a secondary effect even while 'efficiency first' does not induce frugality. The main task of our age is to *limit the scale* of the *economy* relative to the ecosystem by restraining uneconomic growth that increases costs by more than it increases benefits, thus making us poorer instead of richer.

In their paper 'Frugal Marketing: Can Selling Less Make Business Sense?' *Ronald Jeurissen* (Nyenrode Business University) and *Bert van de Ven* (Tilburg University) explore the intricate and paradoxical relationships between frugality and marketing. Their starting point is that marketing will in some way respond to a frugality trend. It may seem paradoxical that marketing should be able to deal with beliefs and attitudes that aim at consuming less, but frugality offers several marketing opportunities, depending on how the value and virtue of frugality are perceived and practiced by consumers.

Marketing seems hostile to frugality in at least two ways, state Jeurissen and van de Ven. First, it looks as though marketing is in conflict with the virtue of frugality. Frugality is a way for people to gain control over their lives by freeing themselves from the pressures of the consumer role and the constraints and uncertainties of being an employee. A major reason for downshifting is that people want more time, less stress and more balance in their lives. Marketing, however, seems to cultivate a hedonistic and materialistic worldview. It teaches consumers that fast gratification of needs is the norm, rather than making considered and balanced consumer choices. Second, marketing seems hostile to the goal of sustainability, which is an important motive behind the frugal lifestyle. One of the important drives of the frugality movement is the consideration that present rates of production and consumption are unsustainable.

Jeurissen and van de Ven distinguish between individual and political frugality. In individual frugality, the emphasis is on enhancing individual life-quality through reduced consumption. Downshifting consumption becomes an individual consumer choice. Political 'frugalists' believe that individual frugal choices are not enough, as they leave the political and economic organization of overproduction and overconsumption unaltered. Frugality should be based on a political economy of frugality, and it should become a political movement.

For Jeurissen and van de Ven, frugality seems only conceivable as a retreat from the world of consumption and work, through a

compilation of counter-measures: doing less, consuming less and differently, increasing the number of buy-nothing days in favor of contemplation, consuming attentively, and enjoying all things that come for free or have already been paid for. Frugality as a retreat from the world can be the expression of a strong spiritual orientation in life. The core of many forms of spirituality is becoming aware of one's own awareness of being in the world. This mode of being is accessible through reflection and meditation.

In his paper 'Progressive Consumption Tax,' *Robert Frank* (Cornell University) asks the question of whether consuming more goods makes people happier. The large and growing scientific literature on the determinants of life-satisfaction and psychosocial well-being suggests that for a broad spectrum of goods, beyond some point the answer is essentially no. Evidence from this literature also suggests, however, that there are ways of spending time and money that do have the potential to increase people's satisfaction with their lives, and herein lies a message of considerable importance for policymaking.

Frank argues that if our problem is that some forms of private consumption seem more attractive to individuals than to society as a whole, the simplest solution is to make those forms less attractive by taxing them. Without raising our tax bill at all, a *progressive consumption tax* would change our incentives in precisely the desired way.

Taxing consumption progressively, observes Frank, is different from consumption taxes such as the value-added tax. Those types of taxes are levied at the same rate no matter how much a family consumes. They are regressive because wealthy families usually save much higher proportions of their income than poor families. But the consumption tax proposed by Frank is not regressive at all. Its escalating marginal tax rates on consumption, coupled with its large standard deduction, insure that total tax as a proportion of income rises steadily with income, even though the assumed savings rate is sharply higher for high-income families. If consumption were taxed at a progressive rate, we would save more, buy less expensive houses

and cars, and feel less pressure to work excessively long hours. And this, on the best available evidence, would *improve the quality of our lives*.

In his paper ‘Buddhist Economic Strategy,’ *Laszlo Zsolnai* (Corvinus University of Budapest) explores Buddhist economics as a major alternative to the Western economic mindset. *Buddhist economics*, centered on want negation and the purification of human character, challenges the basic principles of modern Western economics including profit-maximization, cultivating desires, introducing markets, instrumental use of the world, and self-interest-based ethics. Buddhist economics proposes alternative principles such as minimizing suffering, simplifying desires, nonviolence, genuine care, and generosity. Zsolnai argues that Buddhist economics is not a system but a strategy that can lead to happiness, peace and permanence.

Zsolnai states that the underlying principle of Buddhist economics is to *minimize* the *suffering* of all sentient beings, both human and nonhuman. In the Buddhist view a project is worthy of being undertaken if it can reduce the suffering of all those who are affected. Also, changes in economic activity systems that produce less suffering should be welcomed. The suffering-minimizing principle can be formulated in more technical terms to show that the goal of economic activities is not to produce gains but to decrease losses. Because humans (and other sentient beings) display loss-sensitivity it makes sense trying to reduce losses for oneself and for others rather than trying to increase gains for them.

The Buddhist strategy 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 reduce one’s desires. Buddhism recommends moderate consumption and is directly aimed at changing one’s preferences through meditation, reflection, analysis, autosuggestion and the like. Desiring less is even fruitful in the case of money. Western economics presupposes that

more money is better than less money. But, getting more money may have a negative effect. Overpaid employees and managers do not always perform at the highest levels, and being underfinanced might be beneficial for a project. If people have smaller budgets they may use the money more creatively and effectively.

Nonviolence (ahimsa) is the main guiding principle of Buddhism for solving social problems. It requires that an act cause no harm to the doer or the receivers. Nonviolence prevents doing actions causing harm to oneself or others and urges finding participative solutions. The community-economy models are good examples. Communities of producers and consumers are formed to meet 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.

To get the best from the partners requires *genuine care*. Caring organizations, as Robert Frank showed, 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 the customers and subcontractors.

The Western economic man is allowed to consider the interests of others only if it serves his or her own interest. This self-interest-based, opportunistic approach often fails. Buddhism favors *generosity*. Generosity might work in business and social life because people are 'Homo reciprocans' rather than 'Homo oeconomicus.' They tend to reciprocate what they get and often give back more than they got.

Modern Western economics represents a *maximizing* framework. It wants to maximize profit, desires, markets, instrumental use, and self-interest. It tends to build a world where 'bigger is better' and 'more is more.' The countervailing 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 problems.

Conclusion

The present unsustainable lifestyle of mankind requires drastic changes. Western-style consumer capitalism has failed. It has resulted in global climate change, dramatic ecosystem degradation and biodiversity loss. Also, it has caused unhappiness and emptiness in rich countries and social disintegration worldwide.

The interests of nature, society and future generations require a considerable reduction of material throughput of the economy and a reorientation of our economic activities. This could become possible by employing a more spiritual approach to life and the economy.

The rational case for frugality is a limited one. By rational choice we can develop a more frugal and sufficient way of life, but material temptations can always overwrite our ecological, social and ethical considerations. But the spiritual case for frugality is strong enough. Spiritually based frugal practices may lead to rational outcomes such as reducing ecological destruction, social disintegration and the exploitation of future generations.

