

Laszlo Zsolnai
Corvinus University of Budapest

The Contribution of Buddhist Economics

Buddhist economics can be seen as a radical alternative to the Western economic mindset. Western economics represents a *maximizing* framework. It wants to maximize profit, desires, market, 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 are 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 *Characteristic of Western Economics and Buddhist Economics*

Western Economics	Buddhist Economics
maximize profit	minimize suffering
maximize desires	minimize desires
maximize market	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”

In the following paragraphs I summarize the main contributions of the papers presented in the book. They represent polyphonic, but convergent views.

1 The Critique of Mainstream Economics

Julie Nelson stresses that the notion of “Economic Man” is doubly biased. First, in leaving out all aspects of human life having to do with bodies, emotion, dependence, or other-interest, it highlights only culturally masculine-associated notions of humanity, while blocking out consideration of feminine-associated ones. Not only are the occupations of feeding, cleaning and nursing bodies (traditionally assigned to women) made invisible, but *everyone's* experiences of social life in general, and of dependency in childhood, illness and old age in particular, are denied. In Buddhist terms, “economic man” elevates the autonomous “self” to a concrete entity, radically denying codependent origination. Economists have done a good job *teaching* that people are self-interested (greedy) in our economic lives, that firms have no choice but to profit-maximize, and that the economy does not evolve, but rather runs like clockwork according to universal laws. The neoclassical notions of an impersonal, mechanical system has saturated the popular image of economic life in the West.

Julia Essen states that while economic objectives in both Buddhist and mainstream Western models involve satisfying self-interest through rational choice, these concepts hold different meanings in each perspective. The enlightenment era’s “Economic Man” model, based on the neoclassical theory of methodological individualism, presents an atomistic individual, using instrumental or means-to-ends rationality, calculating choices of comparable values to arrive at the optimal outcome: maximization of self-interests, whether for profit or some other form of satisfaction. But a Buddhist version of this model (call it the Rational Buddhist Householder) based on the theory of conditionality or dependent origination and the law of causality looks a bit different. The Buddhist sense of self is connected to other entities rather than being isolated, and an individual’s actions have consequences arising in a non-linear fashion, possibly resulting in a karmic boomerang. This undoubtedly expands an individual’s notion of “self-interest”. As such, where the neoclassical Economic Man’s rational process stops at satisfying a demand, the Rational Buddhist Householder would first factor into his or her choices the possible effects on all spheres of human existence: individual, society and nature.

Mainstream Western and Buddhist models also differ in their objectives of achieving wellbeing and the desire that stimulates efforts toward that aim. While the former promotes material wellbeing for its own sake, the latter considers it as a necessary condition for the ultimate goal – attaining Nirvana. That is, in Buddhist economics, the provisioning of basic material needs – food, shelter, clothing and medicine –, that serves as the foundation for human spiritual advancement. With this minimum material comfort as its objective, it may seem that there is scant motivation to be productive in the Buddhist economic model. The capitalist economy, after all, is driven by desires, and Buddhists are supposed to rid themselves of this source of suffering.

Sander Tideman warns, that our selfish motives are based on an illusionary belief in an independent self, separating us from others. We do have selfish traits, they may even dominate us at times, but they can be removed by mental practice. What remains is our true nature, our Buddha-nature, which is a state of mind recognizing the interconnectedness with all that lives. Since we are so connected to the world, since there is no disconnected self, the practice of kindness and compassion is the most effective.

The new neuro- and behavioral science is revelatory because it provides empirical evidence derived from a biological basis for the notion that human nature is not driven by greed and egoism alone; at least equally important are the principles of fairness, cooperation and altruism. Since neoclassical economics consider itself to be a science concerned with ‘hard data’, the fact that there is hard biological basis for these principles helps to uproot the long held yet untested assumptions of classical economics on selfishness and rationality. The wiring of the human brain indicates that motives of fairness and degrees of altruism are more natural to the human mind than selfishness and individuality. Most significantly, neuro- and behavioral economics have established that the so called ‘rational self-regarding actor model’ needs to be replaced by a framework that accounts for our emotional and pro-social behaviors.

Julie Nelson emphasizes that it is a neoclassical economic dogma that firms maximize profit which automatically leads to efficiency and social welfare for all. In reality business firms do a great many things. They make products or services. They employ people: they are places where people work hard, or are lazy; make friendships, or not; find meaning in work, or can't wait to go home. They have a physical presence, and take things from the rest of the natural environment and put things back into it. Businesses develop relationships with the communities in which they

locate: their customers, suppliers and creditors. Sometimes these are healthy relationships and sometimes not; sometimes they last, sometimes they do not. Businesses develop institutional histories and particular internal cultures – for example, some take pride in the quality of the goods or services they produce, others in their role in their community, while others may be more innovation-oriented or finance-oriented and they may be structured in more hierarchical or more egalitarian ways. They are populated by people who are sometimes wise and long-sighted and sometimes greedy and short-sighted – and most often, a mix of the two. Sometimes people within a firm cooperate and work together well towards their joint goals, and sometimes firms are a mess of mismanagement and miscommunication. The activities of buying and selling depend in part on people's desire to make trades that are to their own advantage, but also on people's ability to trust each other, on people's creativity and initiative, on social structures of norms and reputation, and on state structures of regulation and enforcement. Markets are the way in which most people reading this book, most of the time (and contrary perhaps to our fantasies) get what we need for living. Businesses and markets are concrete, specific, physical and social institutions, not abstract "profit-maximizers" and spheres of pure exchange.

Tideman observes that many stakeholders of the market are all partners in a continuous process of dynamic co-creation, with the human mind not as independent (or objective) witness but as active (subjective) co-creator determining the quality and direction of this process. Quantum physics and neurobiology have discovered that the human mind creates the reality that it perceives: hence markets must be creations of the mind as well.

2 *Sustainability and Right Livelihood*

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.

These conditions require the maintenance of various forms of "capital". Capital is defined in the sense of produced and natural assets or resources ready to provide the materials, energy and

services for human welfare. At least three forms of capital need to be maintained for sustainable development:

- (1) produced or manufactured capital to provide transformed-nature material means of satisfying needs and wants (economic sustainability);
- (2) natural capital for direct and feedstock services from nature (environmental sustainability);
- (3) social capital or strong social networks and institutions to support the other forms of sustainability (social sustainability).

Changes towards sustainable consumption can be seen at two general levels. Firstly, we can reduce the environmental demands from what we purchase by minor, incremental shifts in the bundle of specific items that effectively provide the same levels and end-use services. If it is assumed that production technologies are largely given, then consumer choices can respond in view of the material, energy and waste (MEW) demands or intensities as they exist now and across their full life cycles and supply chains. This would include the MEW demands in the *use* of goods and services purchased, that is, the service utilization or operation of the economic unit over its product life; as well as in its disposal or reuse phases. A flip side to the environmental demands is the service-intensity of the changes in consumer decisions. Service-intensity involves the level and quality of service that is actually derived from products. If consumption shifts towards greater service-intensity, then welfare is enhanced or at least maintained in a more sustainable way. Both reductions in MEW- or environment-intensity and increases in service-intensity, are ideal at this level of sustainable consumption initiatives. As discussed, sustainable production changes would be stimulated over time in response to this type of change.

Secondly, sustainable consumption can occur via more profound changes in people's overall consumption bundles or lifestyles. As in voluntary simplicity, "downshifting" and organic, holistic lifestyle trends where effectively "less is more" beyond some basic need-want levels. This includes a wide range of decisions with profound influences upon our "consumption" such as those relating to work-income-leisure and associated time use, housing and location, fertility, diet, health and a host of ethical issues.

Daniels notes that under both 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. This logic seems obvious but, 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 the objects of “reality”. If an individual’s preferences are targeted at long-term welfare or satisfaction, this condition can be described in economics as a divergence between actual and true preferences. True preferences are the set of ranked choices that represent those that really lead to satisfaction or what is best for that person. At least part of this divergence may stem from lack of foresight and information about the unintended consequences of incessant growth in demand upon a limited resource base. Buddhism can help achieve sustainable consumption. It can do this by providing a logic and perspective for understanding the consequences of the levels and patterns of consumption upon the highly interconnected social and natural realms (and back on jointly-determined personal and community welfare).

Julia Essen stresses that “Right Livelihood” is guided by *chanda* and allows the individual to keep the five householder precepts (to abstain from killing or harming life, stealing, lying, engaging in sexual misconduct and consuming sense-altering substances). Right livelihood also requires diligence, an important Buddhist virtue, and in the Buddha’s directives for householders to achieve happiness in the present lifetime: diligent acquisition, followed by careful conservation, having virtuous friends and living within one’s means. Finally, implicit in the notion of right livelihood for the householder is self-reliance. In terms of material self-reliance, householders must meet their own subsistence plus generate enough surplus to support the monastic community that depends on them.

Wealth accumulation is not so much the issue for Buddhists as is what happens afterwards. Along with the benefits of wealth come increased potential for attachment to money, material goods and the resulting status as well as the craving for more. The Buddha specified five uses of wealth: to provide for oneself and one’s family, to share with friends, to save for emergencies, to

make the fivefold offerings (to relatives, guests, the departed, the government and the deities) and to support spiritual teachers and monks.

The Buddha did not advocate deprivation as material wellbeing is necessary for spiritual advancement. Moderation is a better approach to consumption, since it is in line with the teachings of the Middle Way of neither extreme luxury nor extreme asceticism. The question of what is “sufficient” is to be continually re-evaluated by each individual at different levels of spiritual attainment. The aim, though, is to consume less.

Assuming a steady rate of diligent wealth accumulation (and no debt), reduced consumption permits greater opportunity for giving. This is desirable not simply because generosity is a virtue, but because giving allows Buddhists to practice non-attachment to material objects and possessive feelings; it is training in selflessness.

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 in contemporary economic-environmental thought.

A major target of more traditional 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 ethical approach and world view.

Techniques of socioeconomic mapping metabolism (SEMM) for reducing society’s impact on nature share is like Buddhism’s “operational” goal of reducing material and energy livelihood-

related throughout. Their similarities and complementary nature are too significant to ignore. At root, they concur with an ethos of the improvement of human physical and spiritual well-being pivoted upon “scientific” understanding of the interconnectedness of the three spheres of human existence. The logical approach and intuitive rationality 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. This situation represents a unique and potentially very beneficial conjuncture in the development of human society and its ability to cope with the enormous social and environmental problems faced in the 21st century.

3 *The Happiness Problem*

Colin Ash notes that the sense of happiness extends in (at least) three dimensions. The most immediate is hedonic, sensual and emotional – pleasurable feelings. Then there is a more cognitive, judgemental 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 “eudaemonia”).

From contemporary research on happiness we can draw some major empirical regularities:

(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 all the evidence suggests 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. From there on and controlling for all other influences on happiness, the effect of extra income begins to tail off. 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.

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, they define our identity – our sense of who we are. 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.

Colin Ash suggests that the starting point for a Buddhist analysis of the “happiness problem” is the starting point of the Dhamma, the Buddhist world-view, itself: *dukkha* – suffering, unsatisfactoriness – and its cause. Its proximate cause is “*tanha*”, strong desire or craving. Its root cause is “*avijja*”, ignorance. In a nutshell, suffering arises through attempting to sustain a mistaken identity built on attachment to transitory mental and physical phenomena.

According to the Buddha’s diagnosis, we inherit deep cognitive errors – ignorance, in Buddhist parlance – which infect our cognitive evaluations and emotional responses. Strong desires, *tanha*

and attachments, upadana, dominate our choices often for things that we may expect to be immediately pleasurable but which do not, indeed cannot bring satisfaction or contentment.

The purpose of the Buddhist agenda can be summed up in two words: stop suffering. To the extent that suffering, in the sense of unsatisfactory conscious experience, is internal and conditioned, meditation is central to Buddhist practice: the aim is to train the mind so that ultimately the process of dependent origination ceases. Mindfulness meditation is a noticing practice, “being the knowing” rather than automatically identifying with moods, feelings, etc. 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. Just observing sensory contacts, feelings, desires and aversions, attachments and framings, and obsessions as they arise and pass away reduces their continuity and connectedness. Gradually mindfulness practitioners are able to come off autopilot, letting go, for example, of ingrained comparisons between perceptions of their present situation with memories of the past and expectations and goals for the future. Mindfulness enables the exercise of the neuroscientists’ “free won’t”. By becoming aware of a formerly subconscious mental trigger, it is possible to forgo what otherwise would have been the automatic, unconscious response. A more even balance can then be sustained between the far-sighted ‘Planner’ and the myopic ‘Doer’; between, long-term welfare and the temptations that come with arousal.

Another strand of Buddhist meditation cultivates four unconditional and unlimited positive mind-states (brahma-viharas):

- (1) loving kindness;
- (2) compassion;
- (3) enjoyment of others’ success; and
- (4) equanimity.

Combined they are characterized by

- (i) a concern for the welfare of all without discrimination;
- (ii) being unenvious;
- (iii) the elimination of aversion and acquisitiveness;
- (iv) objectivity towards oneself and others equally;
- (v) taking responsibility for the consequences of one's actions.

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.

4 *Economic Models*

Julia Essen notes that moderation is the quintessential Buddhist notion of the Middle Way signifying not too much and not too little, suggesting frugality. Reasonableness should not be confused with the narrow neoclassical economic conception of rationality. It involves analyzing reasons and potential actions, and grasping the immediate and distant consequences of those actions; it also implies compassion. Self-immunity does not refer to self-isolation but self-reliance and self-discipline as well as the ability to withstand external shocks and cope with uncontrollable events. A required condition for these components to operate effectively is wisdom, which embodies not only accumulated knowledge, but the insight to put it to judicious use. The second required condition is integrity, meaning virtuous or ethical behavior including honesty, diligence and non-exploitation. The emphasis in these guidelines is clearly on mental development, apropos of Buddhism.

Santi Asoke Buddhist Reform Movement of Thailand represents a practical realization of a special 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”.

First, residents limit consumption by adhering to the Buddhist precepts, sharing communal resources and following the environmental edict, “The Four Rs” (recycle, reuse, repair, reject).

Many residents who reflect on their practice of consuming little show an appreciation for balance and the relation between the spiritual and material worlds. 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. A second 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 as Asoke communities’ primary method of meditation. The common image of Buddhist practice is sitting still with eyes closed, monitoring the breath, but this is only one method of meditation. Members also 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 group includes working for one’s livelihood as well as attending meetings, chanting, eating, watching movies and chatting with neighbors in their understanding of work.

The third component, “giving the rest to society”, is a training in selflessness or non-self, the pillar of Buddhism. 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 most time-, energy- and resource-intensive, outwardly oriented activities, however, are free trainings in the Asoke way of life.

Probably 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 his country who said that they regarded Bhutan to be a ‘poor’ country by standards of Gross Domestic Product (GDP). While acknowledging that Bhutan may score low on the scale of conventional indicators for a nation’s economic performance, he claimed that his country secluded in the Himalayas would score high on an indicator measuring happiness. But GNH is more than a counterpoint to GDP. This essay takes the perspective that GNH 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, such as in GDP. GNH is an attempt to develop an indicator that accounts for all values relevant to life on this planet, including the most subtle and profound: happiness. Moreover, by taking happiness as the objective, GNH serves as an important yardstick for a framework of Buddhist economics.

Tideman argues that as long as governments view GDP growth as their overall objective, its populations will be locked into a cycle of increasing consumption at the expense of societal and ecological health. As long as industrial institutions are designed to make profits as their prime purpose, and financial markets reward and punish them solely on this basis, they will continue to extract value from the planet at unsustainable rates. Creating sustainable economics now means more than a gradual adjustment of policies. It means reinventing new economic, financial and business models, not only leapfrogging to environmentally sound technologies and infrastructures, but also shifting established norms and changing the 'rules of the game' that are currently biased against the future.

Bhutan's leaders define GNH in terms of four pillars: economic development, good governance, cultural preservation and nature conservation. By including governance and culture into its measurements, Bhutan not only follows the trend in global economics of incorporating the qualitative dimension into its model but can also be a pioneer among nations. The benefit of this model is that it includes both GDP – the 'lowest' level bottom line – while complementing it with 'higher level' components that collectively constitute GNH. This model helps us to see how we can combine efforts to generate financial capital alongside with policies to generate social, environmental and cultural capital.

It 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 above 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 suggests that GNH is congruent with what is known as a “mixed economy,” the idea that market forces could do many things well – but not everything. This will require government and all actors in the economy to reclaim responsibility for their lives and start defining economic objectives in more human terms. The neoclassical principle of ‘laissez-faire’ has wrongly created a mentality of taking things for granted and we have become enslaved by the market and its monetary values. The alternative is not a return to rigid central planning and closing one’s border, but rather the development of an alternative economic model tailor-made to suit the condition of our own society and life itself.

We need efficient markets and central leadership. Middle way does not mean a compromise or settling for second-best. Rather, it means proactively creating an attitude of responsibility of all actors in the economy by which synergetic alliances with win-win outcomes are naturally achieved. Economic history has shown that healthy economies and in fact healthy societies generally had a mixed economy, in which markets and governments work together in a dynamic equilibrium. The challenge we now face is to create an economic system that fosters sustainability and well-being for all.

Joel Magnusson believes that with a daily practice of mindfulness, we can break out of the treadmill of pathologies of action and mind. We become awakened to the true dynamic between action and ideality, and develop a clear understanding of the meaning of our actions and our motives. Mindfulness is thoughtfulness without superfluous baggage, and thoughts are clear, open and directly focused on the tasks at hand. Cultivated over time with practice, mindfulness allows us to be present in our minds and directly engaged in our daily tasks without delusion or attachment. But these tasks are not random, they are directed toward bringing about human and ecological well-being and this will involve playing a role in institutional and systemic change.

With appropriate mindfulness, people can begin the hard work of restructuring key economic institutions that direct economic activity to a new course that leads systemic change and healthier livelihoods. Just as the institutions of capitalism have evolved over time to cohere into a complete economic system, the new institutions of a mindful economy, in time, will evolve and cohere into a new system. With appropriate mindfulness, systemic change will come to pass as a result of a process that will evolve out of and away from, the current capitalist system, but not by overthrowing it as many critics of capitalism have advocated.

For Magnusson a mindful economy is based on the fair and equitable value of each individual's contribution. Their right to work without harassment or racial or gender discrimination, and the right to a decent livelihood are all important to the overall livability of the community. People are full-fledged members of their communities and play an active, four-dimensional role in the economy: employees, consumers, owners and citizens. As employees, people in a mindful economy earn incomes by working for community-based, non-capitalist businesses. As consumers their incomes are also spent in these same community-based businesses whose operations are guided by core value-based principles. What makes these businesses community-based is the fact that they are owned by the people in the community. By becoming owners, people have the constitutionally guaranteed right to sovereignty over their businesses; that is, they govern the actions of the businesses democratically. To govern means to actively participate in the decision-making process as mindful economic citizens. Unlike capitalism where people are separated from ownership, in a mindful economy people are empowered with ownership as well as the rights and responsibilities that go with it.

Magnusson stresses that one model of a community corporation that can be adopted as mindful economic community corporation is the "B Corporation" and the "B" stands for "beneficial". B Corporations are relatively new corporate model that are designed to specifically meet social and environmental standards as well as to create a social change movement by institutionalizing stakeholder interests, which includes not just the interest of investors but also employees, customers, their community and the environment. Stakeholders in B Corporations also build a collective voice by unifying their products with other B Corporation brands. B Corporations explicitly embed their values into their governing documents to ensure that as investors, managers and personnel come and go, the values will remain intact. To become a B Corporation, the company must first pass a rigorous test, or rating system, on their environmental practices, employment practices, purchasing policies and whether their products are beneficial to society.

Another such possibility would be to create the community corporation as a co-operative. Once established as co-operative, the articles and bylaws can specify that the company is also guided by the principles of governance of cooperatives established by ICA Commission on Co-operative Principles. Co-operatives can also be established as fundamentally non-capitalist as it is not characterized by the profit motive, the social separation of ownership and work or the growth

imperative. The company is driven by the motive to serve the community, integrates ownership and work and does not pursue growth for growth's sake. A co-operative can also extend democratic ownership and control to all stakeholders in the community who are affected by its operations including employees, consumers, suppliers and members in the immediate surrounding community.

5 *Organizational Solutions*

Bronwen Rees and *Tamas Agocs* observe 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.

Rees and Agocs suggest that a secularised Buddhist method, combined with action research methods, can address issues of power and release the creativity and sense of community in the empowered modern organizations. 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. The underlying conceptual principles can be summarised as follows:

A. Establishing the reflective ground

The reflective ground refers to the physical as well as the emotional space in which the inquiry takes place. Participants are helped to be aware of the space. The space is recognised as being significant in terms of it being the space where a sense of awareness and kindness will be evoked. The space and in particular the ground brings and holds those there in relationship to one another.

B. Encouraging a sense of embodiment

In this stage an awareness practice is used to encourage the individuals to be as present as they are able to be. It is at this stage that we can say the crucible has been created.

C. Reflection

Reflection is some type of process in which participants are encouraged to reflect upon some aspects of themselves in relationship to their workplace and work – for example, in a business school, the team has evoked questions such as 'What brought you into education?' A fairly simple question in itself, but when asked in the context of the reflective ground, then a person's deepest values may emerge. This can then be offered to the rest of the group through a process of dialogue.

D. Dialogue

This may take place in one large group, or small groups, once the reflective ground has been established. The inquiry takes place in the actual situation by that we mean the emotional/ethical situation that is. It should not be thought that a perfect, reflective ground has to be established before the inquiry can progress.

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.

Laurens van den Muyzenberg emphasizes the importance of mindfulness in business leadership. 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 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.

Van den Muyzenberg argues that 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 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.

6 *Non-utopian Thinking*

Julie Nelson suggests that we should have some open skepticism about any utopian proposal. We cannot believe that any sort of institution – business, government, non-profit, local enterprise, community, family or sangha – has an essential "nature" that makes it *automatically* serve human and ecological ends. Our poisons, our thirst, our suffering cannot be made to magically disappear by some perfection of system, structure or scale. Yet, in each moment, we have an opportunity to respond. A key contribution of Buddhism is in reminding us about non-attachment, and warning us against latching onto us-versus-them thinking. Applied to economic suffering, this does not mean inactivity and does not mean that attempts at transformation, including through local community action, must be abandoned. But the teachings of the Middle Way should also encourage us to be alert to the temptations of self-righteousness and to be more open to wide and deep engagement with businesses, governments and the larger world.

It is not the primary aim of Buddhist economics to build an economic system of its own. It is better to see it as an alternative strategy, which can be applied in any economic setting anytime. Buddhist economics may help Buddhist and non-Buddhist alike to create sustainable livelihood solutions which reduce suffering of human and non-human sentient beings by practicing want negation, non-violence, caring and generosity based on the liberating insight of no-self.