

Buddhist Economics: An Overview

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Over the centuries, Buddhist monks applied economic models in the operations of their monasteries to make them sustainable while also observing Buddhist principles. The large variety of economic practices observed demonstrate the creativity of monastics in acquiring the resources to support their large monasteries in a way that was viewed as compatible with Buddhist ethics embodied in the Noble Eightfold Path. Researchers have analyzed the integration of faith-based and financially related monastic needs for different countries in different eras. The Buddhist economics approach as it has been developed in the last 40-50 years aims to create an alternative worldview that challenges the main underlying assumptions of Western economics. The mainstream Western economics model is originally based on the following assumptions: rational, selfish behavior; profit-maximization; competitive markets; and instrumental use of the environment. Buddhist economics is based on a different set of assumptions: dependent origination (“pratityasamutpada”), where people are interdependent with each other and with Earth; people are aware of enlightened self-interest based on interdependence and thus are altruistic; firms care about the well-being of workers, customers, shareholders, and community; and all activities include caring for the environment. With these assumptions, the Buddhist economic model has shared prosperity in a sustainable world with minimal suffering as its goal.

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1. The Emergence of Buddhist Economics

Buddhist economics as a field of study begins with British economist E. F. Schumacher’s well-known essay “Buddhist Economics”, first published in 1966 and later published in his best-selling book *Small Is Beautiful* (Schumacher 1973). He foresaw the problems associated with excessive reliance on the growth of income, especially overwork and dwindling resources. Schumacher argues that the Buddhist requirement of “Right Livelihood” means there is a Buddhist economics with the goal of purification of character and liberation. He bases Buddhist economics on the central values of simplicity and non-violence. He argues that the optimal pattern of consumption is maximum well-being with minimum use of resources. Schumacher concludes that the Buddhist approach to economics represents a middle way between modern growth economy and traditional stagnation.

Schumacher’s conception of Buddhist economics became popular especially among the members of the alternative and environmental movements. It was gradually recognized that

Buddhist economics is relevant not only for Buddhist countries but also for Western countries in solving their problems of overconsumption, welfare malaise, and destruction of nature.

Yet applying Buddhist teachings to economic issues remained rare and sporadic. From Asia one seminal contribution to Buddhist economics was made by the Thai Buddhist monk Ven. P. A. Payutto (1994) in his book *A Middle Way for the Market Place*. Payutto collected the important economic messages of the Buddha for monks, householders and business people on wealth. These include the following:

- *Acquisition*: Wealth should not be acquired by exploitation, but through effort and intelligent action; it should be acquired in a morally sound way.
- *Safekeeping*: Wealth should be saved and protected as an investment for the further development of livelihood and as an insurance against future adversity. When accumulated wealth exceeds these two needs, it may be used as follows.
- *Use*: Wealth should be put to the following uses: (1) to support oneself and one's family; (2) to support the interests of fellowship and social harmony, such as in receiving guests, or in activities of one's friends or relatives; (3) to support good works, such as community welfare projects.
- *Mental attitude*: Wealth should not become an obsession, a cause for worry and anxiety. It should rather be related to with an understanding of its true benefits and limitations, and dealt with in a way that leads to personal development.

Payutto emphasizes that 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. For example, people who are driven by *tanha* will seek to satisfy the blind craving for sensual pleasure. But when guided by *chanda*, desires are directed to realizing well-being.

Payutto stresses that production, consumption and other economic activities are means to achieving well-being of the individual, the society, and the environment. Right consumption is the use of goods and services to achieve true well-being. Wrong consumption is the use of goods and services to satisfy the desire for pleasing sensations or ego-gratification.

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

More recent contributions to Buddhist economics include, in chronological order, works by Zsolnai and Ims (2006), Dalai Lama and van den Muyzenberg (2009), Zsolnai (2011), Giorgino (2014), Tideman (2016), Magnuson (2016), and Brown (2017). These works systemically address the problems of business, environmental protection, social well-being, and economic performance in the contemporary economic context and present Buddhist economics as an alternative to the Western materialistic and individualistic mindset, at the individual, the business, and the national levels.

2. Buddhist Economics Foundations

Buddhism teaches that we are interdependent, both with Nature and with other beings. Nothing exists as an independent and separate entity, and so each person's well-being is dependent on all others' well-being and the well-being of earth. In Buddhist economics, interconnectedness moves us from a focus on the well-being of an individual to the well-being of everyone and the environment. Buddhist economics connects the suffering of one person to the suffering for all people, and social welfare depends on the well-being of each person and of nature.

Our interdependence with the earth and its ecosystems leads us to measure the value of all the resources we use as well as any damage done to the environment, both in the present and in the future. Future generations are not provided a voice, except to the extent that people today want to include the value of the damage to people in the future in making today's economic decisions. In Buddhist economics, future generations are as important as the current generation, and ecosystems, such biodiversity or an unpolluted atmosphere, are critical to planetary health. Buddhist economics is based on the knowledge provided by climate science, and understands that Earth's ecosystems must not be damaged.

Acknowledging human's interdependence with Earth provides an incentive to care for the environment. By measuring how our economic activities affect the environment, Buddhist economics supports the goal of *doing no harm* ("ahimsa").¹ The Buddhist economics model incorporates the negative economic costs of environmental degradation and harm to the ecosystems, and government policies based on these ensure natural resources are preserved and used effectively and sustainably by all.

In October 2015 Buddhist leaders came together to present a Climate Change Statement at the Paris summit, which stated that "we are at a crucial crossroads where our survival and that of other species is at stake as a result of our actions [...] this environmental crisis is driven by our use of fossil fuels, unsustainable consumption patterns, lack of awareness, and lack of concern about the consequences of our actions" (Global Buddhist Leaders 2015). Their statement supports a wide array of actions to move to renewable energy, to reduce consumption, and to help the world's poorest.

Buddhist economics follows the path of ecological economics, which focuses on how human activity is damaging Earth, and how protecting the ecosystems that supports all life is an overarching priority (Daniels 2010a; 2010b). Big changes in lifestyle are required by the affluent countries to reach the Paris Climate Accord's goal of keeping the global temperature increase under 2° C. Buddhist economics shows how our way of life can be meaningful and worthy as we transform our lifestyle to care for the all people and the planet. Using our knowledge, experience, and talents, and within our cultural community, each person becomes involved with creating new ways of living on our planet that is sustainable over time.

Buddha taught that suffering stems from people's mental states, and from feelings of discontent that accompany never-ending desires.² Buddhism suggests how to end suffering by changing our mental state of mind, because greed and ego based on our mental illusions result in suffering and empty lives (Dalai Lama 2009).

¹ *Ahimsa* is the first and foremost vow of Buddhist followers, which prohibits doing harm to other sentient beings (Dhammapada; Mahatanhasankhaya Suttam –The Greater Discourse on the Destruction of Craving (MN 38)).

² See Dhammacakkappavattana Suttam – The First Sermon of the Buddha (SN 56.11)

A visible sign of our endless desires is the clutter that fills our homes. Our clutter is a microcosm of what is wrong with our lives in a materialistic, affluent society that provides too many choices, and too many choices can frustrate and paralyze us. We end up less satisfied once we finally make a choice, because we have regret about the choices we gave up, and so much choice results in an escalation of expectations (Schwartz 2004). According to Buddhist economics, we can improve people's lives in affluent societies that have too much choice, and in poorer countries that have too little choice, by redistributing income so that the rich have less choice and the poor have more. Then everyone and society are better off.

In Buddhist economics, genuine and lasting happiness emanates from being aware of one's true nature or basic goodness while being compassionate to others. Happiness springs from living a meaningful life connected to others and to Nature, because one's happiness is interdependent with others' happiness. The Dalai Lama (2009) translated Buddha's teachings on how to relieve suffering into the art of happiness, and how to live a meaningful joyous life. He wrote "genuine happiness is characterized by inner peace and arises in the context of our relationships with others" and is based on compassion. In Buddhist economics, letting go of our ego and separate self brings us freedom from want and suffering.

Although we might expect national happiness to increase as average per capita income increases, this is not observed in developed countries, where national happiness does not increase with national income. This is known as the Easterlin Paradox – over the long run, as average per capita income grows, average national happiness tends to remain the same once basic needs are met (Easterlin et al. 2010). Psychologists explain this by people's adaptability to their situation or events. People are not affected by bad or good events as much as expected. Although we may eagerly anticipate and enjoy a good outcome (receiving a promotion, winning a game, buying a new car), soon we adapt to it and return to our baseline sense of well-being (Gilbert 2006).

Psychologists' studies find that being kind to others makes people happier (Otake et al. 2006). People only need moments of compassion to build upon, because there is a positive feedback loop: when you do a kind deed (take your mom to lunch), you become happier, which makes it more likely you will do another kind act (help your neighbor carry in groceries). Kindness makes you happier, and happier people engage in more acts of kindness (Dixon 2011).

Buddhist economics distinguishes between outer (material) wealth and inner (spiritual) wealth. Buddhism does not prohibit material wealth, it only reminds us not to become attached to material possessions or wealth of any kind, and to share our riches with others.³ In Buddhism, the more important inner wealth is intrinsic and includes our capacity to appreciate experiences and relationships as life unfolds around us. Buddhist wealth includes our mindful use of resources to enjoy life and to help others, and true wealth—love, compassion, and wisdom—is inexhaustible. Cultivation of inner wealth in Buddhism is part of daily practice on the path to enlightenment (Matthews 2014).

3. Buddhist Economics for Enterprises

All over the world we can see innovative business and social enterprises that use Buddhist values and principles in their functioning. Also Buddhist techniques, especially mindfulness, are becoming more and more popular in mainstream business to increase organizational effectiveness and employee well-being.

³ See Sigalovada Suttam – The Discourse to Sigala, The Layperson's Code of Discipline (DN 31)

Enterprises can be categorized as “Buddhist enterprises” if they meaningfully employ such Buddhist values and principles as care and compassion, non-violence, generosity, suffering minimization, and want-reduction. A wide range of this kind of enterprise exists in today’s world, in Buddhist and non-Buddhist countries alike. We present as exemplars the clothing company Patagonia based in California, the Greyston Bakery in New York, the Belgian social enterprise Apopo operating in Tanzania and other African countries, and the Loden Foundation entrepreneurs in Bhutan.

Patagonia is a pioneer in ecological clothing. It was the belief of the company’s founder, Yvon Chouinard, that business is a perfect place to practice Buddhism. The company is committed to sustainable “natural growth” by selling their products to people who really need them.

Patagonia makes considerable efforts to reduce, neutralize or even reverse the root causes of climate change. The company is committed to (1) reducing the environmental impact of its operations and its supply chain, (2) supporting grassroots activism by paying an Earth Tax, (3) using the company’s voice to advocate for systemic change, (4) empowering customers by making quality products that can be repaired, (5) supporting regenerative practices in ranching and agriculture, and (6) envisioning a new approach to business (Patagonia 2017).

Commitment number 1 involves measuring Patagonia’s carbon footprint. In 2015 the estimated emissions of Patagonia’s global operations were 3,617 metric tons of CO₂. When opening new stores Patagonia prefers to improve existing buildings. Green building projects is part of its strategy. Patagonia has developed an employee transportation program, “Drive Less”, which provides monetary incentives to employees to ride a bike, carpool, or take public transportation. The result of this program was that 900 employees collectively drive 690,000 fewer miles, reducing CO₂ emission by 500,000 pounds.

The Chemical and Environmental Impacts Program is a supply chain initiative by Patagonia to manage chemicals in a more careful way. The program covers all areas of environmental systems including waste, water use, and energy use. Another supply chain initiative was to become founding members of the “Fair Labor Association” (FLA) in 1996. In 2007 the program “The Footprint Chronicles” traces the social and environmental impact of Patagonia’s products. In 2011 Patagonia implemented a human-trafficking detection tool. For example, the audits of suppliers revealed that labor brokers charged migrant workers from Asian countries up to 7000 dollars to get a job in Taiwanese factory mills that supply Patagonia.

Commitments number 2 and 3 involve supporting grassroots activists by paying an Earth tax. This funding started in 1985, when Patagonia gave 1% of its sales revenue to the preservation and restoration of the natural environment. In 2015 the amount given to grassroots environmental groups was 70 million dollars. Patagonia’s employees can work up to 320 hours for environmental groups while receiving full pay from Patagonia. Another program aims to oppose the construction of new dams and support a transition toward lower-impact energy and water sources that cause no harm.

Commitment number 4 involves making products that are durable and using raw material that “cause less environmental harm than their counterparts.” One motto is “Repair is a radical act.” In one of Patagonia’s ads, the text is: “To make one of our best-selling jackets requires 135 liters water, so by repairing it you will save many natural resources, CO₂ emissions and waste.” “Don’t buy what you don’t need. Think twice before you buy anything.” In 2015 an internal scorecard was implemented to rate the quality of Patagonia products on a ten-point

scale, where quality is measured by a product's durability, repairability, multi-functionality, non-obsolescence and lack of environmental harm.

Commitment number 5 involves the environmental program "worn wear." The message is "invest in quality and repair when things break, and celebrate the clothing that travels with us through life." Patagonia has the largest garment repair center in the USA.

Commitment number 6 involves an internal investment fund to help "like-minded responsible start-up companies bring about positive benefit to the environment." The purpose is to inspire and use business to help solve the environmental crisis. Another initiative is guided by The Stockholm Resilience Center concept of "planetary boundaries" (Zsolnai et al. 2016).

Greyston Bakery Inc. is a for-profit social enterprise founded in New York by Zen Buddhist teacher Bernard Glassman. The company is famous for producing high-quality baked goods and ice cream products. It practices an "open hiring" policy, which means that anyone can apply to work with them, regardless of his or her background; this includes people with a criminal record. Besides the bakery, Greyston also has a foundation comprised of an integrated network of not-for-profit and for-profit entities in Yonkers, New York that provides jobs, work force development, affordable housing, community gardens, youth services, child care, and health care to the local community (Greyston 2017).

Greyston incorporates a positive societal agenda into its core business by hiring individuals who have been chronically unemployed because of their lack of skills or education, homelessness, drug addiction or imprisonment. Greyston is a force for self-transformation and community economic renewal through its activities. Besides operating a profitable business, the company serves the community in many forms in an area where the level of poverty and the unemployment rate is much higher than the national average.

The Greyston story began in 1982 in New York when a small bakery was opened to support the local Zen community. After a while, they realized that a larger community of people could be supported by their efforts, and after obtaining a \$300,000 loan, Greyston Bakery was launched with the mission of offering jobs to homeless people in an area with a major problem with homelessness. In 2014 the bakery generated more than ten million dollars in revenues.

In 2012 Greyston became the first Benefit Corporation (B-Corp) in New York State, operating with a "triple bottom line": prioritizing profits, social contributions and environmental impact. The company's mission is to make a positive impact on society while engaging in transparent business operations with a commitment to maintaining customer satisfaction. From the beginning, Greyston has had a focused mission to reinvigorate the impoverished community of Southwest Yonkers and set an example for other socially conscious businesses to follow. It is constantly striving to make a long term, sustainable impact on the local community and the situation of individuals.

Greyston is a successful social enterprise with a Buddhist philosophy that fuels community development and commitment to human growth. The founder, Bernard Glassman, was inspired by Buddhist principles to establish a business that would "reduce human suffering". The company is managed in the belief that everything is interconnected, and that one cannot afford to ignore sections of society. Greyston places great emphasis on personal empowerment and transformation. Employees are encouraged to develop a sense of responsibility for themselves, their families, and their co-workers. Gainful employment is seen as the first step on an individual's path toward success. Social justice, economic development, and personal empowerment are the most important building blocks that support the operations that drive the company.

The company is famous for baking brownies for Ben & Jerry's ice cream and producing a line of brownies and cookies that can be found at Whole Foods stores. With two eight-hour shifts a day, the bakery produces tarts, cakes, mousses, brownies and cookies. Over time, the business has evolved into a gourmet wholesale-retail bakery that operates a state-of-art facility, producing high quality baked goods. Greyston Bakery, besides its business goals, also financially supports Greyston Foundation (Zsolnai 2015).

Apopo is a Belgian social enterprise with headquarters in Tanzania and operations in Mozambique, Thailand, Angola and Cambodia. It researches, develops and implements technology using detection rats for humanitarian purposes, such as landmine detection and tuberculosis diagnosis. It was founded by Bart Weetjens in 1995 when he was exploring solutions for the global landmine problem and found that rats, which are intelligent, cheap and widespread over the world, are able to detect the scent of mines and even tuberculosis. Among Apopo's core values are quality, innovation, diversity and social transformation which include developing skills, creating jobs, improving socio-economic and environmental conditions, releasing land for development, and combating public health issues (Apopo 2017).

Loden Foundation is a civil society organization established to support education and promote entrepreneurship amongst young men and women in Bhutan. The foundation is dedicated to fostering a happy and enlightened society, and it focuses on benefitting young Bhutanese graduates from schools and colleges.

One of its main programs is the Loden Entrepreneurship Program, which runs business training programs, gives interest-free capital funds up to \$30,000 to start businesses, and provides support through its mentorship and monitoring activities. The program was launched in 2008 in order to help promote entrepreneurship in Bhutan with the aim of helping self-starters in business. It also aims to help develop a responsible and sustainable entrepreneurial culture in Bhutan, inspired by the visionary and altruistic Bodhisattva ideals. The foundation trained over 1500 entrepreneurs from 2008 through 2016 and provided interest-free capital seed money to 77 entrepreneurial ventures, which are spread across 18 districts in Bhutan (Loden 2017).

Mindfulness became a new buzzword in today's corporate management with elements of Buddhist thought and practice often used in mainstream business. Global companies, including Google, are connecting to the power of mindfulness and meditation to drive sustainability and happiness in their business functioning. They employ the advice of the Zen master Thich Nhat Hanh and other Buddhist thinkers on how practicing mindful meditation at the workplace helps companies to improve their bottom line (Confino 2014).

The critical arguments by philosopher Slavoj Žižek are relevant for the corporate mindfulness movement. He says that "although Western Buddhism presents itself as the remedy against the stressful tension of capitalist dynamics, allowing us to uncouple and retain inner peace and *Gelassenheit*, it actually functions as its perfect ideological supplement." And Žižek (2001) adds that

one should (...) 'let oneself go,' drift along, while retaining an inner distance and indifference toward the mad dance of accelerated process, a distance based on the insight that all this social and technological upheaval is ultimately just a non-substantial proliferation of semblances that do not really concern the innermost kernel of our being. (...) The Western Buddhist meditative stance is arguably the most efficient way for us to fully participate in capitalist dynamics while retaining the appearance of mental sanity.

Practicing mindfulness can contribute to improving organizational effectiveness and the well-being of the employees. However, the question remains whether “doing things right” without “doing the right things” in mainstream business is consistent with the noble ethos of Buddhism, namely to reduce suffering of all sentient beings while living a meaningful life. Without adopting the ethics of true compassion and non-violence, practicing mindfulness may only serve to preserve an exploitative and ecology-damaging economic system.

4. A Vision of a Buddhist Economy

Acknowledging the interdependence of people with each other and with nature, Buddhist economics framework guides us in using global resources to provide a comfortable and enjoyable life for people worldwide, while living in harmony with our ecosystems. Here we discuss possible Buddhist economic policies, based upon policies that have already been practiced, to achieve the goal of Buddhist economics: *an economy that creates shared prosperity in a sustainable world with reduced global suffering*.

Affluent countries vary widely in their choice of policies and institution to reduce inequality, greenhouse gas (GHG) emissions, and global suffering. Joseph Stiglitz and Anthony Atkinson have demonstrated that inequality is not inevitable; it is a choice that a country makes with national laws and institutions that undermine workers, have a paltry safety net, and benefit those at the top (Stiglitz 2013; Atkinson 2015). Some countries (United States and United Kingdom, India and China) have created much more inequality than others (Europe and Japan; Atkinson et al 2011). In particular, Northern European countries, including Sweden, Finland, and Norway, have made shared prosperity and child welfare top priorities, and these countries have achieved equality with a high standard of living (Stiglitz 2013). Leading economists suggest a long list of policies that would reduce inequality, including worker bargaining power, social welfare programs, a strong safety net, and progressive taxation (Stiglitz 2013; Atkinson 2015). A Buddhist economy can choose from these policies to structure markets to reach their targeted income distribution.

Buddhist economics integrates the findings from climate scientists that mandate policies on four fronts: (1) mitigate carbon emissions to keep global warming below 2°C; (2) make communities more resilient to climate change; (3) reduce lavish consumption and provide basic consumption to all people; and (4) limit population growth. We already have the technology and knowledge required to implement policies to achieve these four goals.

Climate scientists have demonstrated that human combustion of fossil fuels causes carbon dioxide emissions that cause global warming, and economists have demonstrated that the use of fossil fuels reflects the policies that regulate fossil fuel markets on both the supply and demand sides. We have the clean energy technology required to transition to clean energy and stop using fossil fuels. Two major roadmaps exist that show how countries can reduce carbon emissions to meet the Paris Accords (Deep Decarbonization Pathways Project 2015; Jacobson et al. 2017). Two countries, France and Germany, have taken the lead in reducing carbon emissions and can serve as role models for other developed countries, who must immediately start reducing their greenhouse gas emissions to meet the Paris 80/50 goal (80% to 95% below their 1990 level by 2050, or even earlier). The German transition to clean energy, called the *Energiewende*, is making the transition to 100% clean electricity by 2050 without apparent harm to the economy. Energy storage remains one of the biggest challenges to relying solely on renewable energy (Moore 2016).

Communities around the world are already becoming more resilient to rising sea levels, violent storms and drought. Yet extreme heat remains a challenge because heat reduces

productivity of people and land, and air conditioning has a large carbon footprint. Unfortunately people in poor countries are already suffering from climate change more than people in rich countries, even though poor countries have emitted negligible amounts of carbon into the atmosphere and do not have the resources required to become resilient. The poorest half of the world's population contributes only 10% of global carbon emissions, and the richest 10% produce *half* of the emissions (Oxfam 2015). In Buddhist economics, the countries that have benefitted from economic growth based on cheap fossil fuel energy have an obligation to provide resources and technology to the poor countries so their economic development is sustainable and based on renewable energy.

The affluent countries with their lavish lifestyles must reduce consumption to become sustainable. Buddhist economics shows how our way of life can remain meaningful and worthy as we transform our lifestyle to reduce wasteful or lavish consumption and stop using fossil fuels.

Two key changes in lifestyle for the U.S. and Europe are to stop driving gas-guzzling vehicles, and to reduce meat consumption. People seem much more aware of the greenhouse gas emissions of their automobiles and trucks than they do of their diets. How much and what kind of meat a person eat makes a big difference in GHG emissions. Beef has over twice the emissions of pork, and close to four times the emissions of chicken; and lamb is even worse than beef. Fruits, vegetables and nuts have less than one-third the emissions of chicken. (Environmental Working Group 2011) Although many Buddhists are vegetarian because they do not want to kill animals, knowing that greenhouse gas emissions are killing many species provides another reason to eat a plant-based diet.

Middle class and rich people around the world have more than adequate consumption, education, and health care, and do not need to continue "improving" their consumption. Poor people need to improve their living standards with adequate food, shelter, transportation, education, and education. With improved living standards, including education and health care for women, the birth rate drops dramatically. We have already witnessed this around the world, as higher living standards and education go with lower birth rates. Now we must follow the Buddhist economics mandate of providing basic consumption with health care and education to the people in Sub-Sahara Africa, where suffering is widespread and the birth rate averages between 4 and 6 children (World Bank 2017).

Because everyone's well-being is interdependent, reducing suffering globally is an integral part of the Buddhist economics policies. Reduction in global poverty was a major accomplishment of the UN's Millennium Development Goals (MDG), a fifteen-year drive to improve the lives of the world's poorest by 2015. The MDGs demonstrated that coordinated concerted effort pays off. The number of people living in extreme poverty fell from almost 2 billion people in 1990 to just under 900 million people in 2012. Access to safe drinking water improved dramatically, although access to sanitation facilities lagged far behind. Enrollment in primary education rose to 91%, and women's position improved with more employment outside agriculture and more elected national positions (United Nations 2015a). Yet close to one billion people still live with extreme poverty and hunger, and we can, and must, continue to improve their lives (United Nations 2015b). Rich countries can increase their contributions to the United Nations programs to improve the living conditions in poor countries, which result in children growing up healthier and becoming productively engaged in their communities. We can also engage with the United Nations push for human rights in countries where people, especially women, live in fear and are not treated with dignity and respect.

Buddhist economics suggests that we should directly evaluate and compare the well-being of people by their quality of life, which follows the capabilities approach of Amartya Sen

(1999). In this approach, people require the basic goods and services considered essential by their communities, and their quality of life is based upon their capabilities to achieve meaningful lives, including nurturing the human spirit.

In Buddhist economics, income is only one element in measuring a person's quality of life, and economic performance no longer depends only on how fast average national income is growing. Buddhist economics evaluates economic performance holistically by measuring how well people live (prosperity), how fairly resources are distributed (justice), and how well the ecosystems are functioning (sustainability).

People's quality of life includes their health and education, their ability to buy basic goods and services, their relationships with family and friends, and the availability of public services, including child care, transportation, and safety along with political participation. An adequate income is a necessary part of the equation, but it does not guarantee well-being and happiness, as demonstrated by the Easterlin paradox. From a Buddhist economy perspective, a well-functioning economy supports people's development of their full potential, including their spiritual life and their contribution to the community. In Buddhist economics, well-being includes caring for our human spirit. Realizing our interconnection with others, we surrender our ego with its incessant demands and reach out to others with compassion. We let go of desire and attachment, and focus on how fortunate we are. Buddhist economics also mandates that we do no harm to others or to the environment, and any harm done subtracts from economic performance. Living interdependent with nature, we enjoy and care for nature, and realize the beauty in our lives.

Around the world, holistic measures of well-being are already being used: Bhutan's Gross National Happiness, the UN's Human Development Index, the Organization for Economic Co-operation's Better Life Index, the Genuine Progress Indicator, the Happy Planet Index, and the UN's Sustainable Consumption and Production goals. Each measure has strong and weak points, yet each is better than the GDP for providing a holistic measure of economic performance within a Buddhist economy (Brown 2017).

5. A Way Forward

Buddhist economics is a relatively new field. However, some research tracks can be identified within this kind of scholarship.

One eminent research track championed by Payutto (1994) can be called "*exegetical*". It aims to interpret the original sources of Buddhist teaching related to economic life. While this kind of research is worthwhile and noble, it has its own limitations. Original Buddhist texts about the economy are scarce and sporadic. Also, the economic problematic of ancient times is rather different from that of the modern world. The most important modern economic and business phenomena, including the corporation, money without internal value, high leverage finance, stock exchanges and so on, cannot be meaningfully approached on the basis of the ancient knowledge of Buddhist teachers.

Another research track is related to the *economics of Buddhism*. This scholarship studies how Buddhist societies developed and/or applied economic working models in their daily life. The large variety of economic practices observed demonstrate the creativity of monastics in acquiring the resources to support their large monasteries in a way that was viewed as compatible with Buddhist ethics embodied in the Noble Eightfold Path. Researchers have analyzed the integration of faith-based and financially related monastic needs for different countries in different eras (Buddhism and Business, Market and Merits 2017).

Scholars follow a different track who aim to construct models, practices and policies for today's economies to be consistent with the basic teachings of Buddhism. This *constructivist* research program includes works on the individual, micro, macro and global level of the economy. How can individuals with a Buddhist face behave in a market economy as consumers, workers or investors? How can companies organize their activities according to Buddhist ethics and philosophy? What would an economy inspired by Buddhist values look like? What are the guiding principles of Buddhist economic policies at the national and the global level? These and similar questions occupy the work of the constructivist Buddhist economic research (Schumacher 1973; Zsolnai 2011; Tideman 2016; Magnuson 2016; Brown 2017).

An important subset of the constructivist track is *applied research* that focuses on happiness and well-being on the one hand and management, leadership and contemplative approaches on the other hand. The connection between happiness/well-being and mindfulness and other Buddhist practices became a well-established field of research. (Ricard and Singer 2017) The Bhutan experience with Gross National Happiness has received worldwide recognition, although applying GNH to improving economic well-being is in an early stage (Centre for Bhutan Studies and GNH 2017). Contemplative approaches to management and leadership hold promise as a way to renew and transform Western materialistic practices to more peaceful and sustainable ones (Dalai Lama – van den Muyzenberg 2009).

A reflective-critical dialogue and interaction of these different research tracks can be helpful in developing Buddhist economics. Transdisciplinarity is needed to develop a unique real-world problem-solving framework that crosses disciplinary boundaries and the academic–practitioner divide. Dealing with complexity requires collaboration with multiple actors, from academia, enterprises and civil society. Transdisciplinary research seeks joint clarification of the problems under investigation, as well as an iterative search for collaborative solutions. There is no strict separation between knowledge creation and knowledge transfer (Shrivastava et al. 2013).

Buddhist economics presents a radical challenge to the today's globalized economy based on Western economic principles. Buddhism requires the economy and society to *do different things* and to *do things differently* to create meaningful lives in a sustainable world. Today's materialistic and individualistic economies based on increasing average per capita income should be transformed into more holistic and enlightened economies focused on providing shared prosperity and reduced suffering in a sustainable world.

Business has a role to play in creating jobs with living wages and hours, so people have a balanced life with meaningful experiences. Businesses also must respect ecological planetary boundaries and produce green products and services that people need to live sustainably and comfortably.

Individuals play a crucial role in creating a Buddhist economy by changing their lifestyles to become sustainable, less wasteful, and simpler, as they quit driving gas-powered vehicles, eat less meat and stop wasting food, live in more efficient homes that use little heat and electricity. People focus on caring for each other and caring for nature, and people become happier as they realize their true compassionate nature.

Around the world countries measure economic performance with a holistic metric that evaluates quality of life, so political leaders and people know if the economy is on the right path, and how the quality of life might be improved. We have the technology and the policies to restructure our economies to share prosperity and be sustainable, so moving forward to a Buddhist economy requires a strong commitment by people and their countries.

In his “Love Letter to the Earth” Thich Nahn Hahn (2013) reminds us that “Our collective compassion, mindfulness, and concentration nourishes us, but it also can help to reestablish the Earth’s equilibrium and restore balance. Together, we can bring about real transformation for ourselves and for the world.”

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