

Prioritising People over Product

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Summary

The article focuses on the concept of 'Buddhist economics' based on the idea of 'right livelihood'- which emphasizes on a world away from capitalism and materialism. It highlights some of the major differences between western and Buddhist economics. The author talks about how economics is not simply about money but happiness too through the example of a country like Bhutan which uses GNH as a measure of welfare of its people.



The Kancanakkhandha Jataka tells the story of Bodhisatta who was a farmer in a village. Once, while ploughing, he chanced upon a huge bar of gold. Unsure about what to do with so much gold, he decided to divide it into four equal parts: One for his own living expenses, one for saving,

one for trading and one for charity and good work.

Going beyond Capitalism

The economic models and theories that prevailed during the 20th century are rapidly falling apart and economists are scrambling for solutions. But much of what has gone wrong was already anticipated by economist and statistician E. F. Schumacher.

Influenced by Buddhism on a trip to Burma, he wrote an essay on "Buddhist Economics" in 1966 which was later added in his book "Small is Beautiful". The British economist felt that modern economics was becoming increasingly materialistic, with people running after profits. He was upset by the ever-increasing production and consumption, stress on the output of work instead of the worker and the reliance on non-renewable resources.

He believed that applying Buddhist principles to the way an economy operates would produce an economy designed primarily to meet the needs of people. In accord with the Buddhist concept of "right livelihood," Schumacher called for jobs that are valued for their psychological and spiritual values, not just for what they produce. He argued that an economy should exist to serve the needs of the people; people should not exist to serve the economy.

Economics of happiness

Most of us have grown up with our parents telling us that life is not just about money. Mental well-being is more valuable than money. But then we are thrown into the real world and realise that we cannot survive without money; everything revolves around it. We enter the rat race to get a better job, with a better pay, and scoff at the idea of happiness without money to finance our extravagance.

But, there are countries such as Bhutan which seeks a better world with Buddhist economics. It values the quality of life of its citizens over the quantity of goods the country produces.

Bhutan is a tiny constitutional monarchy between India and China, deeply rooted in its Buddhist culture. Welfare in this country is measured with the help of the unique Gross National Happiness (GNH) Index which is dependent on the well-being of the people, not just economic growth.

This was introduced by their Fourth King, Jigme Singye Wangchuck, in 1972 and it displays the monarch's commitment to building an economy that would serve Bhutan's culture based on Buddhist spiritual values instead of western development.

The index is a single number based on 9 domains with 33 indicators. It ranges from 0 to 1 and reflects the percentage of Bhutanese who are happy. Like most indices, the higher the better. It rests on four pillars: good governance, sustainable socio-economic development, cultural preservation and environmental conservation.

Cease to do evil, try to do well

One of the principles of the Buddha's Eightfold path includes "Right Livelihood", or making a living without doing harm to others. It is based on the idea of interdependence and compassion. True Buddhist economics recognizes everyone's interconnectedness.

So what exactly is Buddhist Economics?

Not many have written on this subject and I doubt you will find it in your economics textbooks.

Buddhist economics applies spiritual principles and moral purpose to the question of wealth. This spiritual approach to economics does not rely on theories and models, but on the forces of empathy, love and restraint. It is "Middle Way" between a purely mundane materialist society and an immobile traditionalist society, while striving for minimum consumption and maximum satisfaction.

The Buddhist approach to economics is based on 2 core principles:

- The ideal is sufficiency, not surplus; and
- A civilisation built on renewable resources is superior to one built on non-renewable resources.

The differences between Modern and Buddhist economics are growing in number and are now becoming more evident. Some of them include:

Western Economics	Buddhist Economics
Concentrates on self-interest	Concentrates on concept of no-self

	or Anatta. Humans should detach from the feeling of “I” and “Mine”
Aims at maximizing profits and individual gain	Aims at minimizing suffering
Encourages material wealth and desire	Importance given to simplifying one’s desires
Believes that the bigger, the better	Belief that small is beautiful
Labour is a necessary evil for employers and a “cost” that needs to be minimised	People should take part in common, collective tasks and produce at an optimal level
Dependent on world-wide system of trade	Production using local resources; global trade justifiable only on a small scale

Small is beautiful

As quoted in Schumacher’s article, “Spiritual health and material well-being are not enemies: they are natural allies”.

“A modern economist may engage in highly sophisticated calculations on whether full employment ‘pays’ or whether it might be more ‘economic’ to run an economy at less than full employment so as to insure a greater mobility of labour, a better stability of wages, and so forth. His fundamental criterion of success is simply the total quantity of goods produced during a given period of time. From a Buddhist point of view, this is standing the truth on its head by considering goods as more important than people and consumption as more important than creative activity. It means shifting the emphasis from the worker to the product of work, that is, from the human to the subhuman, surrender to the forces of evil.”

While the materialist is mainly interested in goods, the Buddhist is mainly interested in liberation. According to Buddhism, it is not wealth that stands in the way of liberation but the attachment to wealth; not the enjoyment of pleasurable things but the craving for them. Buddhist economics is therefore about simplicity and non-violence. In other words, it is the systematic study of how to attain given ends with minimum means.

As the saying goes, “Don’t eat just because you feel like it; eat when you feel hungry.” In an inspiring interview, Dr. Saamdu Chetri, Director, Gross National Happiness Centre, Thimphu, said, “We need very few things as human being, why are we chasing for more and more? He emphasised that it is very important to make a human being understand the basic purpose of life and that is what the GNH tries to embed. The arms and ammunition bought by countries to fight with each other is added in the gross domestic product (GDP) or gross national product (GNP). However, this will not benefit any citizen and will in fact harm them. While the Western model focuses on limitless growth, Bhutan ensures that their children do not go hungry to bed.

Buddhist Economics— An Oxymoron

What if we lived in a society that did not put consumption at its centre? What if we follow instead the Buddhist mandate to minimize suffering, and are driven by compassion rather than desire? This gives rise to another crucial question- Can nations that are not Buddhist adopt GNH and such a seemingly ideal economic lifestyle?

“Buddhism is not a religion. It is a way of life and living life is a universal value,” believes Dr Chetri. Indeed, many other countries are showing interest in the GNH economic model. In 2011, the UN General

Assembly adopted a resolution to recognize happiness as a basic human goal.

Thus, the need of the hour is a middle path based on faith, generosity, integrity, wisdom, conscience and contemplation. It is high time that we recognise that economics is not all about money, but about happiness too.

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