

THE ECONOMICS OF BUDDHISM: AN ALTERNATIVE MODEL FOR COMMUNITY DEVELOPMENT

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Today we are living in an era in which the capitalistic mode of production is replacing the production of the socialistic order. The result being the self-instinct of individual has again triumphed over his deep urge for collective thinking and collective way of doing things. Thus, the dynamics of group development has definitely received a major set-back. Even in the slow-developing economy like that of Nepal the market-economy has attained its new height; and the concept of privatisation has been responsible for the transfer of even profit-marking government controlled industries into the private sector. The Nepal experience of privatisation of the past three years has taught us two important lessons:

First, privatisation does not necessarily lead to greater competition. The state monopoly is simply converted into private monopoly and all the evils of the pooling or the cartel system not only persists but attains new dimensions;

Second, privatisation is having a regressive impact on the distribution of income of the individual and the wealth of the nation.

The burning problem that is being left by the concept of privatisation is that who is going to look after the interest of the weak, the aged and those who are socially and physically handicapped, or to put it in a different perspective who is going to deal with the social and economic costs resulting from polluted environment, specially water and air. The Kathmandu Valley experience shows that the private sector is both unwilling and illsuited to resolve the problem of the cleaning of the environment.

Thus, the insertion of the socialistic provisions into the national economy has become more imperative today than ever before. As early as the close of the eighteenth century the utopian social prophet like Charles Fourier (1772-1837) was convinced that man's destruction of the environment has reached catastrophic proportion in his own time.¹ Today as many of our cities have become unlivable; this trend seems now almost irreversible.

The Economics of Buddhism

This paper intends to seek an alternative model for development in the light of Buddhist teachings and practices and can be safely labelled as "The Economics of Buddhism" as opposed to conventional economics founded by Adam Smith (1732-1790) and further developed by his jealous successors like Jermy Bentham (1748-1832).² Buddha's teachings are based upon pure reasoning and rational thinking. He being a pragmatic person does not dabble in philosophy as he argued that "philosophy purifies none", while "peace does". He saw that all was suffering and found a way to remove that suffering by eliminating its cause that is, *abidyā* (ignorance). To remove ignorance Buddha founded the doctrine of *pratitasmutpad*. Every increase in wants leads to a decrease in happiness and vice versa. *Nirvān* (the state of bliss) is a point where the barometer of desires drops to zero. Buddha compares *nirvān* to a raft, which enables us to ferry the stormy waters of birth and death. But once we reach the other shore it is something to be discarded and left behind. In short, it is not an end but means to an end.

On the whole Buddha took pains to demonstrate in his teachings two purposes in life: first, to conduct one's life for the attainment of one's own happiness, and second, to direct one's effort for the welfare of the community to which one belongs. The notion of community welfare is further developed by the emergence of the concept of the *Bodhisattva* in the Mahayana Buddhism. A *Bodhisattva* is person who has attained the state of *nirvān* or in other words, he can attain salvation and moment but his attachment to the community to which he belongs prevents him from doing so. A *Bodhisattva* decides not to enter into the state of *nirvan* until he has helped others in the community in the process of doing so.³ Buddha's teachings as expressed in the *Dhammapada* (23) state that "hunger is the greatest disease and the rulers must devise means to eradicate it." This was to be done by raising the living standard of the people (the masses). It is on this concept Buddha founded his logic of mass-thinking, built mass-organisation (the *sangha*) and developed a mass-culture. This has become a corner stone of modern political-economy. In the orient Buddhism has been

a vehicle of cultural expression in moral, material, economic, and spiritual forms as Christianity has been in the occident.

Buddha's appeal to modern intelligentsia is due to two factors: first, he was able to analyze human well being in terms of material and economic conditions, and second, he goes beyond man's physical needs and gives a penetrating analysis of the psychological state of the human mind, which has to be catered in a different way. The way to meet the physical and psychological needs of man is to follow the "right livelihood", the fifth element in one's effort towards the "*nirvāna* in Buddha's *stanzas merge* (eight fold path).⁴ It is to be remembered that on the positive side "right livelihood" is the outcome of right action, while speaking from the negative plane "right livelihood" means refraining from actions that cause suffering to others. Thus, material and psychological well-being of man can be sought by following Buddha's percept of "right livelihood."

Buddhist Economic Thought and Conventional Economics

Professor John Hicks defines economic system in two ways: first, as an association of producers to satisfy the wants or the needs of the customers, and secondly, as a system of mutual exchanges.⁵ The two definitions of economics are not alternative but rather a complimentary way of looking at any given economic system. The conventional economists have always viewed economic development as virtually synonymous with the growth of per capita. The result was development was conceived solely in terms of economic goals, that is, increase in gross domestic product (GDP),⁶ investments, consumption pattern and the overall rise in the living standard of the people. It is also needless to say that the conventional economics believes in a market-system. This is, in other words *laissez-faire* economy where millions of consumers and producers acting individually through the market not only respond to price changes but also determine what should be produced, and how each should benefit.⁷ However, Buddhist economics revolves over the concept of simplicity and "right livelihood" Thus high living standard is not the same as a high level of consumption. So community development is possible without economic growth for development has other components: social, cultural, political, environmental and above all the tranquil state of mind of the people dwelling in any society at any given time. So development, which has physical and mental dimensions, does not start with goods rather people their education, organisation, and discipline. It was the Buddhist monasteries and the *sangha* that aided in the process of mental and physical development of the society as well as the individual. The monasteries and the *sangha* were not only the seats of culture in South Asia but catered to the physical

and cultural well-being of the laity and the community at large. The economic aspect of Buddhism maximises the total well-being of the community, which includes the cultural, social and the environmental factors, with minimum level of consumption. Thus, from the Buddhist economic perspective, a higher consumption can pose a risk to the pursuit of human happiness; and it is detrimental to the welfare of the community at large. So today a time has come when we can fall back to the Buddhist economic model for community development. This would save a society from social devastation of an uncontrolled system of the market economy.⁸ Therefore, today we can use the Buddhist economic thought to promote community development. The Buddhist *suttas* demonstrate beyond doubt the intimate corelation between the individual development and the progress of the community at large. They analyze to the minute details the human well-being in material and economic terms both of which ultimately lead to the psychological well-being of the individual and the society as a whole. Buddha labels this psychological state of mind as *nirvāna* or eternal bliss.

The Problem of the Present

The basic problem of man today is to devise ways and means so to use the nations scarce resources and productive powers for the progress and enlargement of goods and services, and thereby fulfil human needs which are partly individual and partly societal. Today economists lay emphasis on capital formation, growth oriented education and an efficient application of scientific knowledge and technology. Above all, it includes a revolutionary change in the outlook of the masses and elites so that they can subordinate their wants of the present to the needs of tomorrow.⁹ This paves the way for the rise of the notion of sustainable development. It was in April 1987 the World Commission on Environment issued a report "Our Common Future" the theme in this report consists of sustainable development, which it defines as "development that meets the needs of the present without compromising the ability of the future generations to meet their own needs." (WCED 1987)

- (a) First, the art of living on the income of this earth without exhausting nature's capital.
- (b) Second, the ability of meeting the requirements of the present generation without compromising the needs of our children in the future to meet their needs.
- (c) Third, the knack of managing the natural, human and financial resources so as to accelerate human resources and well-being.

Sustainable development therefore on the negative side advocates a process of change that does not increase poverty, degrade the environment, and leave the future generation worse off than at present. But on the positive side sustainable development denotes a process of change in which the exploitation of resources, the direction of investments, and the orientation of technological development on the institutional changes are made in consistent with man's present and future needs (WCED, 1987).

Conclusion

Hence the understanding of the economics of Buddhism becomes more important today than ever before, because Buddhism directly addresses to the fundamental concept of human life and its inter-relation with the community at large in a holistic way. In South Asia, specially in India and Sri Lanka two movements the *Sarvodaya* movement and the *Bhūdan* movement associated with Acharya Binova Bhave and Jaya Prakash Narayan are very much rooted in the Buddhist economic thought. Both the movements above every thing else do recognise the towering importance of the individual happiness and the community welfare as a useful basis of peaceful change as the first and the foremost requirement for the long term human survival.

Thus, the Western model of economic development like the "basic-need-bundle or basket" the "regional-planning-approach" or the integrated-development-strategy¹⁰ can become meaningless for a developing country like Nepal that is not only "tradition-bound" but also "religion bound" unless it can be tied up within the socio-cultural setting operating the general framework of religion; and Buddhism with its secular orientation in its economic thought serves as a perfect model for community development.

Notes

1. For more on Fourier and the Environment see Jonathan Beecher and Richard Bienvu, *The Utopian of Vision of Charles Fourier* (London: Jonathan Cape, 1975), pp. 73-75.
2. For prophets of capitalism see Adam Smith, *Wealth of Nations*, ed. by Edwin Cannon (London: Macmillan and Co., 1932); also Overtone H. Taylor, *A History of Economic Thought* (London: Macmillan and Co., pp. 20-30.)
3. More on Buddha's teachings see PV Bhopal (ed), *2500 Hundred Hundred Years of Buddhism* (New Delhi: Publication Division, Govt. of India, 1959), pp. 20-34; M. Hariyana, *Outlines of India Philosophy* (London: George Allen & Unwin Ltd, 1958), pp. 123-154; Sarvepalli Radhakrishnan and Charles A. Moore, *A Source Book in Indian*

- Philosophy* (Princeton: Princeton University Press, 1970), pp. 272-355.
4. A detailed account of the Buddha's *astānga mārga* is seen in Satishchandra Chatterjee and D. Datta, *An Introduction to Indian Philosophy* (Calcutta: Calcutta University, 1960), pp. 115-137.
 5. John R. Hicks, *The Social Framework* (London: Clarendon Press, 1971), pp. 24-25.
 6. GDP informs us of the total quantity of goods and services available to a community in a particular period.
 7. John Hicks, *The Social Framework op. cit.*, p. 42.
 8. More on the market economy see, Karl Polany, *The Great Transformation* (Boston: Beacon Press, 1971), pp. 33-209.
 9. See Joseph Sponger, "Theory, Ideology, Non-Economic Values and politico-Economic Development" in Ralph Brabanti, J. Spengler, *Traditions, Values, and Socio-Economic Development* (London: Duke University, 1961) pp. 10-12
 10. For more on the Western models of development see Kemple Ronald Hope, *The Dynamics of Development Administration* (London: Greenwood press, 1984). pp. 2-30; P.W. preston, *Theories of Development* (London: Routledge, & Kegan Paul, 1982). pp. 187-215; Robert Patter, *Urbanisation and planning in the 3rd World and Public Participation* (London: George Helm), pp. 1-32; Geoge F. Grant, *Development Administration: Concepts, Goals and Methods* (Madison: Wisconsin University Press), pp. 160-180.