

**International Conference
Buddhist Values and Economics: Investing in a Sustainable Future
2019. 4. 13 & 14
The University of Hong Kong**

A Moral Framework of Buddhist Economics in Early Buddhism

**G.A. Somaratne
Centre of Buddhist Studies
The University of Hong Kong
soma@hku.hk**



Poverty and Hunger

- ▶ Of the 7.4 billion people, 900 million people [one in eight] go to bed hungry each night. Another billion subsist on substandard diets.
- ▶ This shows not only the failure of the family economies of these peoples but also the failures of the governments and the religions.



Teaching to Laity

- ▶ It is well-known that the early Buddhist discourses discuss mainly “how suffering arises and how it ceases” (MN I 140).
- ▶ But, it could be observed, they also contain a body of instructions specifically designed for the well-being and happiness of the laity in this world and the next.
- ▶ These instructions provide the laity with a family economic thought enshrined in a strong moral frame-work of lay disciplinary rules (*gihi-vinaya, dhamma*).



The teaching directed to the laity

- ▶ The lay disciplinary rules (*gihi-vinaya*) have **a twofold aim**:
 - (a) to educate peoples to earn a living within the moral framework of “right livelihood”.
 - (b) to advise the government to work for the social well-being of its citizens by facilitating the social economy to prosper.



This presentation points out

- ▶ A moral framework of Buddhist economics is found within the Buddha's socio-ethical teachings given to peoples and the governments.
- ▶ The moral framework concerns a mutually supportive two economies: the family economy and the social economy.
- ▶ The family economy is the responsibility of the peoples. The social economy is the responsibility of the governments.
- ▶ The target of the family economy is the happiness of the family and the target of the social economy is to facilitate families to achieve their target of happiness.
- ▶ The responsibility of the religion is to give moral guidance to both institutions—the family and the government—to achieve their targets.

Economics and Ethics



- ▶ The Buddha's economic ideal concerns **a family man** who engages in his economic activity by adhering to **a code of ethics**.
- ▶ It situates all economic concepts such as production, consumption, investment, and care work under that code of ethics.
- ▶ It identifies **the family members' well-being (*hita*) and happiness (*sukha*)** in this life and in the next as the endpoint of the family economy (AN IV 28).



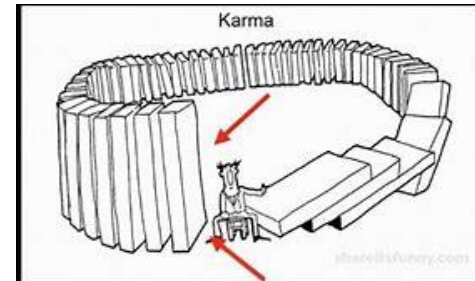
Right Livelihood

- ▶ This economic concept is not other than the practice of “right livelihood” directed by right view and activated by right effort and right mindfulness (MN III 75).
- ▶ It places emphasis on the moral integrity of both the producers and the consumers.
- ▶ It provides a philosophical vision of interdependency of every phenomenon, situation or event, making people to care for each other and the environment.



Moral theory of Buddhist Economics

- ▶ It subjects all stakeholders to believe in a next life and accept that **deliberately performed actions bear fruits**, that there is a causal correlation between what we do and what we reap (*kamma-vāda*).
- ▶ It makes people recognize **the need to do morally wholesome deeds** and to refrain from morally unwholesome ones (*kiriya-vāda*).
- ▶ It recognizes **the role of human effort in the pursuit of moral life**, that is, by means of energetic actions one can change one's direction of life and living (*virīya-vāda*).



Ethics and economics

- ▶ This linkage between economics (*attha*), ethics (*dhamma*), and human effort (*viriya*) instigates the Buddhist family to endeavor for the simultaneous achievement of the economic well-being and also the moral well-being, a healthy body and a healthy mind.



Integration of economics and ethics

- ▶ This **integration of economics and ethics** is evident from two sets of teachings (AN IV 281-282):
 - (1) The first set advises the man to make persistent effort in the production of wealth, to protect the produced wealth, to associate with good friends, and to live balancing one's income and expenses.
 - (2) The second set advises him to practice confidence, virtuous conduct, generosity, and wisdom.



The ideal moral practice (*dhamma-cariyā*)

- ▶ In this integrated ethic-economic plan, **the ideal moral practice** consists of **abstention from evil**, **performance of good**, and **purification of mind** (DN II 49).
- ▶ This same practice, with a difference in the order, is presented as **three ways of making merits**: **sharing** (*dāna*), **moral discipline** (*sīla*), and **training mind** (*bhāvanā*) (AN IV 241-243).
- ▶ For the average laity who aim at sensual enjoyment, the rightful fulfillment of the first two combined with some form of mental training constitutes **"righteous conduct"** (*dhamma-cariyā*, *sama-cariyā*).



Abstention from evil

- ▶ “**Abstention from doing evil**” means refraining from thoughts, words, and deeds that are conducive to self-harm, harm to others and of both, that are defined as “unwholesome” (*akusala*), “demeritorious” (*apuñña*) and “evil” (*pāpa*).
- ▶ Destroying life, taking what is not given, engaging in sexual misconduct, telling lies, slandering, harsh speech, frivolous speech, intense desire, malice and wrong view constitute a **popular list of ten abstentions (MN I 47)**.
- ▶ One who abstains from them has the luxury of enjoying the happiness of being blameless (*anavajja-sukha*) with regard to the conduct of one’s body, speech and mind (AN II 70).



Moral practice

- ▶ **"Performance of good"** means the performance of actions that are "wholesome" (*kusala*) and "meritorious" (*puñña*).
- ▶ For example, sharing of one's material wealth, teaching *dhamma* and caring for the elders are wholesome and meritorious for such actions do "not conduce to self-harm, to the harm of others and of both" (MN I 415-420).
- ▶ **The golden rule of ethics** in the Buddha's teaching is: "what is not pleasing and not dear to me is not pleasing and not dear to the other as well" (SN V, 353-355).



The economic plan presented to Sigāla (DN III, 181f)

- ▶ The Buddha asks the family man **to avoid**
- ▶ (a) **four bad actions**, namely, killing, stealing, sexual misconduct, and lying;
- ▶ (b) **four ways of partiality** arising from desire, hatred, fear, and ignorance;
- ▶ (c) **six ways of dissipating wealth**: addiction to drugs, sauntering in streets at untimely hours, frequenting degrading shows, gambling, associating with evil characters, and habitual idleness.
- ▶ Then the Buddha asks the family man **to guard the six directions** by fulfilling his duties towards: parents (east), teachers (south), wife and children (west), friends and relatives (north), servants and employees (down), and religious teachers (up).



Family Concept

- ▶ The family unit that is mostly appropriate for the practice of Buddhist economic thought is the extended family (*kula*) (AN III 43) where both the householder and his wife co-reside with their children, parents, and workers (AN III 45), while fulfilling some mutually beneficial duties towards each other.



Family members

- ▶ In this family concept, **the family members**, more specifically the householder, his wife and the workers, **share the work** inside the household.
- ▶ The householder is the family head (*gahapati/kula-pati*) and is **the main income-generator** by way of undertaking an occupation in agriculture, business or government service.
- ▶ It is recommended that both husband and wife share the role of **altruistic headship in making family decisions**.



Man in the family

- ▶ The man functions as son to parents, student to teachers, husband to wife, father to children, friend to friends, relative to relatives, employer to employees, and devotee to religious teachers (DN III 180-92).
- ▶ By taking care of his constituents, he protects the family.
- ▶ He does so by sharing food and gifts, speaking pleasantly, working for their benefit, and treating everyone equally (AN II 32).



Woman in the family

- ▶ The woman functions as **wife** to husband, **mother** to children and **manager** to the servants and workers.
- ▶ One duty of the man is to **hand over the authority** of the family wealth to his wife.
- ▶ She performs her household duties earnestly, being hospitable to her husband's relatives, remaining strictly faithful to her husband, protecting his earnings and being skillful and industrious in all her affairs. (AN IV 269; DN III 190; SN IV 246-51)



Persistent Effort

- ▶ The “persistent effort” explains how skillfully the man should work to earn a sufficient wealth.
- ▶ By whatsoever work the man earns his living, at that he is **skillful and not lazy**. He has the power to discern the proper ways and means; he is able to carry out the allocated work duties (AN III 76-78; AN IV 281).
- ▶ The man who finds excuses, saying, it is too cold, it is too hot, it is too early, it is too late, I am too hungry, I am too full, does no work. And while all that he should do remain undone, he earns no wealth, and even the wealth he already has dwindles away.



Businessman

- ▶ Some instructions concern a good businessman.
- ▶ The wise businessman pays attention to his business in **all four periods of the day** — in the morning, at noon, in the afternoon, in the evening (AN I 115-16).
- ▶ He knows the **buying and selling** value of goods. He is skillful in buying, measuring and **marketing**.
- ▶ He is friendly with bankers and other businessmen. The good reputation inspires other businessmen to have confidence in him, and lend him money and wealth at times of his downfall (AN I 116-17).



Employer-Employee relationship

- ▶ The good employer assigns work to his employees wisely, pays them well, tends them in sickness, gives them bonus, rest and holidays appropriately (DN III 190-91).
- ▶ The happy employees reciprocate the good will of the employer. They work well, work fulltime, work extra hours, do not steal, and talk highly of the employer (DN III 191).



Protection

- ▶ The righteously earned wealth is to be protected from the government, thieves, fire, flood, and ill disposed heirs (AN IV 281-82).
- ▶ The wealth should be protected by paying attention to what is lost, repairing what is damaged, knowing moderation in one's lifestyle, and not giving authority to a male or female waster to run the household affairs (AN II 249).
- ▶ Addiction to drugs, sauntering in streets at untimely hours, frequenting degrading shows, gambling, associating with evil characters, and habitual idleness waste the wealth.



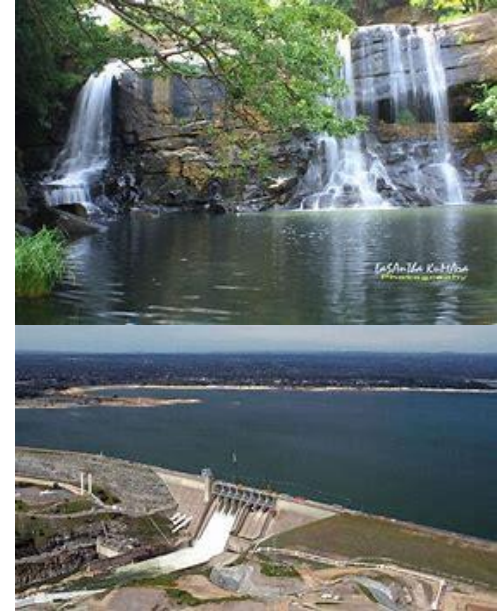
Saving

- ▶ The family man is advised to divide his income into four portions: One for consumption, two for running the business, and one for saving for future use (DN III 188).



Obstacles to Saving

- ▶ Saving is not possible for the morally wrong doers. Addiction to womanizing, alcohol and drugs, and gambling, and also having friendship, companionship, and intimacy with evil doers are among the sources for the destruction of amassed wealth.
- ▶ The man who **closes the four inlets** and **opens the four outlets** of a big water tank that has also no adequate rainfall, can expect only the decrease of the water of the tank, not the increase.
- ▶ The man who **opens four inlets** and **closes the four outlets** of a water tank which has adequate rainfall can expect the increase of water in the tank, not its decrease (AN IV 283).



Happiness as the target

- ▶ The self-sufficiency of wealth (*atthi-sukha*), consumption of wealth (*bhoga-sukha*), paying off all debts (*anaṇa-sukha*), and good moral conduct (*anavajja-sukha*) make the family happy.
- ▶ The self-sufficiency of wealth makes the family happy only if that wealth were to have acquired by righteous means (AN II 69; AN III 45; It 66; Dhp 2.44-45)



Making loans for investment

- ▶ The happiness of being free from debts could be enjoyed only by those who use their robust strength, vigor and energy to make their investments productive and profitable.
- ▶ Those who do not repay their debts, especially those who have the ability to do so are severely criticized. If a person wastes the money he borrows, he will “dig his roots himself”.
- ▶ If a person invests borrowed money properly, he is destined to have the joy that comes from having contracted a loan and having set a business on its feet, and developed it successfully to the point that he is able to pay off all his debts, and support his family and children from the savings he managed to put aside (DN III 185; DN I 71-2).



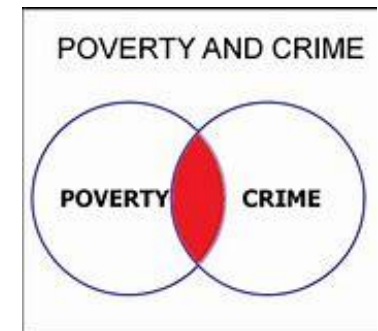
Balanced Livelihood (*sama-jīvikatā*)

- ▶ One leads a balanced life, neither extravagant nor miserly, knowing that thus his income will stand in excess of his expenses, but not his expenses of his income like a man who, holding up a scale, weighs, knows by how much it will tilt up.
- ▶ If a person with little income were to lead an extravagant life, rumor would say of him, “This person eats wealth like those who eat the fruit of a glamorous fig tree”. If a person with a large income were to lead a wretched life, rumor would say of him, “This person will die like a starveling”.
- ▶ Life lived following the middle way of consumption is simple, moderate, and with an easily controllable budget (AN IV 282-83).



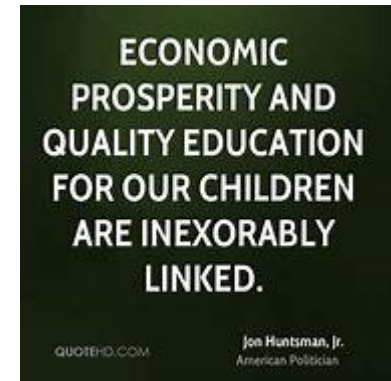
Government responsibility

- ▶ It is the duty of the government to see the equal and adequate distribution of the resources among its people.
- ▶ When people are poor due to the lack of proper distribution of resources, the social disorder is the natural outcome.
- ▶ “In that society **poverty** grew rife because of **resources not being distributed well**. When poverty grew rife, people started to **steal**; then the **production and the use of weapons** increased. This resulted in an **increase of violence** and murder. With this, **lying, evil speech, adultery, abusive and idle talk** increased. Then **covetousness and ill will, false opinions, incest, wanton greed, perverted lust**, and hundreds of other evils started to increase.” (DN III 70—71)



Economic plan of the government

- ▶ The king eradicated the crimes by **improving the social economy**. He provided grains and other agricultural facilities for the farmers and planters. He provided capital for traders and businessmen. He also provided adequate wages for government servants.
- ▶ After having jobs to do the people did not harass the country any more. Gradually the government's **revenue increased** and the country became peaceful again.
- ▶ The population was so pleased that they danced their children in their arms. They dwelt with open doors (DN I 135-36).



Conclusion

- ▶ The ethical framework for family economic plan guides its stakeholders to achieve both material well-being and moral happiness.
- ▶ It respects the rights of all living beings to live and make a living.
- ▶ It invites its stakeholders to adjust their lifestyles and economic goals to the norm of “moderation”.
- ▶ It asks the stakeholders to conform to the rules of law and discipline being grounded on the universally accepted good principles such as simplicity, truthfulness, nonviolence, friendship, compassion, social justice, and equality.
- ▶ It demands that governments take policy decisions on providing basic facilities and creating employment opportunities for the families to earn a living while enriching their social life.

