

# BUDDHIST APPROACH TO ECONOMIC SUSTAINABLE DEVELOPMENT

---

by Nguyen Ngoc Duy Khanh\*

---

## ABSTRACT

*Production and consumption are two decisive economic activities. But the fact that production with limited resources cannot fulfill the insatiable consumptive wants has led the current economic system into imbalance. To solve this contradiction, economics tries to obtain maximum outputs from available resources. It means that a management of the efficient use of resources is an important issue but it also means that economists accept that human's demand is unlimited. In phenomenon, this attempt can only maintain the balance of production and consumption for a short period but it doesn't have any change in essential. In addition, many problems have arisen as the consequences of one-sided economic concentration, such as an uneven harmony between economic development and social development; benefits from the economic growth not reaching the majority of people; increasing disparity in income and living standards between social groups; serious environmental destruction due to over-exploiting natural resources; threatening to the sustainable living of the next generations.*

*The paper begins with an examination on the issue of unlimited human demand on consumption from Buddhist point of view. The Buddhist realization on this issue, which can be considered as the uniqueness of Buddhist economic philosophy, can apply to economic decisions making, responsible consumption, help to balance the*

---

\*. Vietnamese Buddhist Sangha, Ho Chi Minh city, Vietnam.

*production and consumption in society and offer the opportunity to maintain the sustainable economy. Then, the concept of development will be analyzed from the Buddhist view and the Buddhist teachings in relation with economic contribution will be discussed, to argue that the sustainable economic development is the one in which both material aspect and spiritual aspect must be taken into account with equal emphasize. Finally, Buddhist approaches on economic activities will be given as advices to contribute a sustainable economic development.*

## 1. INTRODUCTION

Over the last three decades, when the Report of the World Commission on Environment and Development (UN, 1987) was submitted to the United Nations' Sustainable Development Goals (UNDP, n.d.), sustainable development has become a new buzzword which has been mentioned in many aspects as social policies, environment, economy, etc. Up to now, both of national and international levels, many attempts in different aspects have struggled to come to terms with the demands placed upon them by the concept of sustainable development. In fact, the sustainable development goals cannot be achieved without economic development. However, economics often focuses almost exclusively on the interactive growths of income and consumption. And its policy persists in focusing on these two and to exclude many pressing problems that we are facing with. Nowadays, we seem to be driven by a culture which is so-called consumerism that encourages people to purchase goods in ever-greater amounts. These consumption habits have also led to serious environmental destruction due to over-exploiting natural resources which threatens to the sustainable living of the next generations, etc. The recent global economic crisis, combined with recent scientific studies about global climate change, have risen fundamental questions about the practices in which they are so deeply embedded.

Under Buddhist perspective, this paper starts by critically evaluating the consumption aspect of economics, in which desire plays an important role. The examination on desire will provide a new approach to contemporary economic that distinguish the Buddhist economics with the mainstream economics. This examination will offer an interesting perspective of the proper

practice in managing the consumer society. Then, based on the Buddhist view, the concept of development will be analyzed in both material and moral aspects to argue that the popular view on the notion of development of mainstream economics which only emphasize on material aspect needs to be rethought. Buddhist economics advocates that in order to attain the goal of sustainable economic development, both material and moral aspects must be taken into account with equal emphasis. Finally, to be inspired by Buddha's instructions to Dīghajāṇu the Koliyan how a layperson is able to achieve happiness and well-being (in this life and the life to come) which was narrated in *Dīghajāṇu Sutta* (AN 8.54) of *Āṅguttara Nikāya* together with some others Pāli discourses, three fundamental wealth managing activities: acquisition, conservation and consumption will be discussed and analyzed so that the Buddha's ancient teachings can be applied to modern economy to attain the goal of happiness and well-being as well as fulfill the demands of the two key concepts of sustainable development mentioned in *Report of the World Commission on Environment and Development*.

## 2. THE UNIQUENESS OF BUDDHIST ECONOMICS PHILOSOPHY

Generally, the original aim of economy, is the realization of happiness and well-being for people in both individual and social aspects. However, as Brown considered, mainstream economics is based on hedonic happiness, or personal pleasure with avoidance of pain, which focuses on pursuing money and buying goods that make a sense of happiness, at least in the moment. This short-lived happiness fits in well with materialistic, goal-oriented economy (Brown, C. 2017). From this approach, consumers seem driven to make more, buy more and be more. By this economics base, consumers are intentionally cultivated desires, encouraged to develop new desires for things to acquire and for activities to do. Admittedly, desire plays an important role in consumption activities. However, since the distortion of real/natural human needs along with the creation and daily growing of "false desires", the hegemony of consumerism takes place as the result. Ruled by desire, our consumer society is stuck in the endless cycle of desire and being continuously driven to our want more while never finding enough satisfaction. According to psychology, the mechanism through

which people seek to satisfy their desires is called “*auto-projection*”. It is a looser strategy whether or not people achieve their desired goals. When they are not able to reach the goals they envision, they attribute their continuing dissatisfaction to their failure to reach the alleged corrective measures. When they succeed in attaining their goals, this usually does not bring what they hoped for and their feeling of discomfort is not relieved. So, striving for satisfying desires never bring people the fulfillment they expect from it (Grof, S. 1998). It can be concluded that this type of economics, which ruled by desire, does not bring happiness and causes unsustainable consequences for human beings and all other living things.

The Four Noble Truths is the most important doctrine of Buddhism, which Buddha presented in his first sermon after attaining enlightenment. It is the propositions of: (1) suffering (*dukkha*), (2) cause of suffering, (3) *Nibbāna* – the state of cessation of suffering through the removal of cause of suffering and (4) the way leading to the removal causes of suffering that results in the cessation of suffering. To the extent that it is presented in the first two of the Four Noble Truths, the first proposition states that all of life is suffering. As Buddha enumerated, the stuff of human existence is trauma, pain, and grief associated with birth, aging, sickness, and death intermingled throughout the life course with the despair of being tied to what we despise or separated from what we love. The second proposition identifies the cause of our suffering is desire. We suffer because we endlessly, but futilely, strive to fulfill our own self-interests. *Nibbānaṃ paramaṃ sukhaṃ* – *Nibbāna* is the ultimate happiness (Dhp. 203) is another definition of the third proposition founded in *Dhammapada sutta*, while the content of the fourth proposition is the way to attain this ultimate happiness. Thus, the ultimate aim of Buddhism is the attainment of happiness (which is called “*sukha*” in Pāli language). According to Buddhism, to achieve happiness the suffering and its causes must be understood and after that reduced and eradicated<sup>1</sup>. It needs to

---

1. In Buddhism, there are different levels of “*sukha*” or happiness for human development that each individual can be trained to achieve higher and neater happiness; therefore, happiness is not viewed as a static, but it is a dynamic process in human development. The development of happiness or *sukha* from a basic to higher levels can

note that, in Buddhism, there are different kinds of classifications or levels of “*sukha*”. No matter how many levels are classified, its range starts from the lowest level – *kāmasukha* – which is happiness from acquisition or meeting sensual pleasures, to the highest level – *nirodha samāpattisukha* – with total extinction of suffering (Kittiprapas, S. 2015). Here, the Buddhist concept “*kāmasukha*” is synonym with “*hedonic happiness*” mentioned above, and in spite of being considered as a kind of happiness, it can also cause and increase suffering. Therefore, it is not recognized as real happiness. Besides, according to Buddhism, *kāmasukha* concerning with physical or material level is required for basic needs to relief person’s physical sufferings. After the basic needs are fulfilled, Buddhism encourages that people should develop further to gain higher levels of happiness. Excessive material accumulation driven by desire does not lead to the increase of happiness and never keep happiness sustainable. Instead, it increases problems, bringing suffering and reducing happiness.

Obviously, in both economics and Buddhism, desire plays a role as the foundation on which the analytical structure is built. In addition, problems related to economic such as over exploiting the natural resources, the imbalance between production and consumption or the emerging hegemony of consumerism etc., can’t be explained without considering seriously the dimensions of desire and happiness. In foundational aspect, Buddhism and economics share the same key assumption regarding human nature and assign the primary agency to the individual. However, radically different from mainstream economic, which focus on “*maximization of profit or utility to satisfy the desire*” as its underlying philosophy; Buddhist economic philosophy promotes “*reduction or negation of desire*” to achieve happiness and well-being. This is the uniqueness of Buddhist economic philosophy.

Buddhist economics suggests not to multiply but to simplify human desires. One of the remarkable characters of Buddhist doctrine is the realization about moderation. According to the Buddhist approach, economic activity must be controlled and

---

be seen as a process of reducing dukkha or suffering until it is completely gone at the highest level of *sukha*, which is *nibbānasukha*.

qualified that it is directed to achieve well-being rather than the “*maximum satisfaction*.” In the mainstream of economic model, unlimited desires are controlled by economic scarcity, but in Buddhist model, they are controlled with an appreciation on moderation and the objective of happiness and well-being. A recommendation for moderate consumption found in *Santutṭhi sutta* (AN 4.27) of Aṅguttara Nikāya, mentioned four things: enough food, clothing, shelter and medicine, which can be considered as basic needs. This can help us think of what we really need and what we want, even sometimes what we want beyond what we really need. Reflection by this way can be seen as a method of identifying and reducing one’s desires. For example, whenever we consume food, water, electricity, etc., we should take time to think about their true purpose, rather than consuming them freely, without caring about resources waste. By that way, we can avoid heedless consumption and so understand “*the right amount*” that we need. Wanting less will naturally eliminate the harmful effects of uncontrolled economic activity as well as could bring substantial benefits for oneself, for community, and for nature as a whole.

Both mainstream and Buddhist economics assume that consumption is a necessary activity. However, according to mainstream economics, consumption is an activity to satisfy sensual desires and is a goal in itself. While Buddhist economics asserts that consumption is only a means to an end; its true purpose is to provide well-being serving only as a means to higher goal. Any activity of consumption is not simply for achieving the pleasure it affords, but to obtain the physical and mental energy necessary for intellectual and spiritual growth toward a nobler life. To Buddhism, economic activity must be controlled and directed to the achievement of well-being rather than maximum satisfaction.

The seminal contribution of Buddhist insight to economics can be found from the research on the psychology of desire. According to Buddhist teachings, there are two different kinds of desire: (1) *taṇhā*, the desire for pleasure objects, which is insatiable; and (2) *chanda*, the desire for well-being. *Taṇhā* is based on ignorance and it does not automatically direct to well-being since it based on ignorance. While *chanda* is based on wisdom. For instance, people

driven by *tanhā* will seek to fulfill the blind craving for sensual pleasure, which, in this case, is the desire for pleasant taste. But when guided by *chanda*, desires are directed to realize well-being. In economic context, as described by Payutto, “when desire (*tanhā*) is driving economic decisions, behavior tends to be morally unskillful, but when desire for well-being (*chanda*) is guiding them, economic behavior will be morally skillful” (Payutto, A. 1998). The consumption on *chanda* base is the utilization of goods and services to achieve true well-being, while the *tanhā* consumption is supposedly satisfied sensations or self-gratification. The product value from *chanda* is determined by its ability to meet the need for well-being, while one from *tanhā* only plays a role of satisfying the craving for pleasure. It can be concluded that, according to Buddhist economics, the consumption activity driven by *chanda* is right consumption. Conversely, the consumption activity driven by *tanhā* is wrong consumption

As mentioned, our sufferings come from our own mental states, with feelings of discontent coming from desire more and more. In fact, the feeling of not having enough and wanting more does not arise from the inherent desirability of the objects we are seeking but from our own mental illusions. With two types of desire above, to eradicate the suffering arising from the desires that related to consumption, its reason – *tanhā* is the mental state that needs to be transformed. Instead of *tanhā* is the desire of satisfying one’s craving, it should be transformed into *chanda* – the desire is directed to realize the happiness and well-being of himself and the others.

The Buddhist approach suggests people transform their desires so that through the utilization of goods and services then they can achieve happiness. When one becomes detached from *tanhā*, his levels of happiness will increase. This may result in proper appreciation as well as reduction of the demand for consumer goods. The Buddhist cognition on two kinds of desire provides an idea to businesses to focus less on providing non-essential consumer goods and more on providing essential goods and services to developing countries, introducing technologies that will remediate environmental damage and serve the poor and needy. As the result, business will then become less exploiting and damaging and more worthwhile and productive.

In summary, both mainstream and Buddhist economics accept that the insatiable desire is human's nature. However, the Buddhist cognition on the two kinds of desire: *chanda* and *tanhā*, can lead to a self-awareness that can dissolve the confusion between what is truly beneficial and what is truly harmful in consumption. Even though insatiable want is human's innate, they can be transformed and controlled by wisdom. To assign the primary agency to the individual, Buddhist economic philosophy promotes self-management as well as develops one's abilities. This is a very positive orientation toward human nature as a mastery of one's own destiny.

### 3. THE BUDDHIST ANALYSIS OF DEVELOPMENT

The popular view on the notion of development is the achievement of economic prosperity. Accordingly, world development has been guided by economics and economic policy that focuses almost on material gain. At the time being, the achievements of science and technology in the material aspect have led to an unwarranted trust in their omnipotence and resulted in the widespread belief that they are the only vehicles for the achievement of development in society. The sole criterion of development seems to be the quantity of material goods produced and consumed, and the calculation of *Gross Domestic Product (GDP)* is viewed as a measure of development. Although the economic achievement has revolutionized the material conditions of modern living cannot be denied, it has failed to tackle the challenge of sustainable development in a meaningful way. As stated by Brown, it is time to recognize that economics has led us to focus on the wrong values and measurements. GDP gives us a snapshot of the total output for the nation, with no concern for how it is distributed or used, or where it may take us in the future (Brown, C. 2015). According to Welford, in the last two decades, mainstream economic with its material emphasized models which were indiscriminately applied in inappropriate ways causing the poor to suffer, leading to the breakdown of community values and doing little to reverse the continued environmental destruction (Welford, R. 2013). It is noticed that, to achieve development, current economic system has paid little attention to right and wrong means of production, the right and wrong limits to what is produced and consumed. Their detachment to the moral aspect in

development seems to be speedily leading mankind towards self-defeating and self-destructive consequences as well as facing with social and environmental destruction.

Having different look on this phenomenon, Buddhist analysis of development involves an equal emphasis on twofold development, material or mundane and moral or spiritual. According to Buddhism, the development which focuses only on material is detrimental to the existence of the human society, since it is one-sided, imbalanced and disastrous (Abeynayake, O. 2016). In economic aspect, Buddhist approach would involve an emphasis on a much more sustainable development that consists of a dual process involving the development of the material conditions of living on the one hand, and the ethical quality of living on the other. An important Buddhist explanation in this regard is found in *Andha Sutta* (AN 3.29). In this sutta, Buddha mentioned about the *dvicakkhu* (two-eyed person) among ordinary people, this person uses the first eye to acquire wealth, the second for moral development. The one who neither engages in the pursuit of material wealth nor in the pursuit of moral development, are comparable to people who are totally blind. Buddha showed that a two eyed person is superior to one having either the first eye or the second eye only. In other words, development cannot be achieved either by moral uplift or material advancement alone but both these aspects have to be equally developed to acquire a meaningful and happy life.

Besides, similar with mainstream economic which considered the reduction of poverty is the most important objective of economic development process, Buddha proclaimed in *Iṇa Sutta* (AN.6.45) that poverty is part and parcel of suffering (*dālididiyaṃ bhikkhave dukkhaṃ lokasmiṃ*) and ought to be overcome. In *Cakkavattisīhanāda sutta*, the Buddha indicated that poverty is the most socially destabilizing factor and the division of the world into rich and poor paves the way for the collapse of the moral foundation in the society. According to this sutta, stealing, telling lies and adultery arise accordingly and correspondingly due to poverty. This vividly shows the detrimental effects of poverty in individuals and society. A moral development which brings peace and harmony cannot be expected from the poor society as this sutta clearly

delineates. Thus, according to Buddhism, moral development alone or material development alone is not adequate to lead a happy life and the moral development is possible only when the material development is fulfilled.

The report *Our Common Future*<sup>2</sup> released by the United Nations World Commission on Environment and Development in 1987 introduced a definition of sustainable development which is now considered as one of the most widely recognized definitions of sustainable development.

*“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:*

- *The concept of ‘needs’, in particular, the essential needs of the world’s poor, to which overriding priority should be given; and*
- *The idea of limitations imposed by the state of technology and social organization on the environment’s ability to meet present and future needs.” (UN, 1987)*

Thus, the Buddhist view on the problem of poverty which mentioned above is very much concern to the overriding priority of the first key concept of sustainable development. Associating poverty with suffering that needs to be overcome, Buddhism appreciates the necessity of wealth as well as encourages people to earn wealth through righteous means. Buddhism views that taking advantage of others economically, in whatever form, is indicated as unethical acquisition of wealth. The emphatic advice in Buddhism is in whatever means of earning wealth the principle of righteousness must be applied. *“Dhammikehi dhammaladdhehi”* which means using rightful means and acquired through harmless means, was the Pāli phrase that Buddha always uses to signify the way of earning wealth. That righteous way is shown by the Buddha in *Dīghajāṇu sutta* (AN 8.54) as proficient, diligent, prudent, competent and expertise in management. According to Buddhist teaching, Buddhists should accumulate wealth without violating any of the five precepts: refrain from killing, stealing, adultery,

---

2. Commonly called the *Brundtland Report*.

lying and taking intoxicants. Moreover, they are prohibited from engaging in five types of trades including trading arms, animals or human beings, flesh, liquor and poison. These five prohibited forms of trade are identified as right livelihood (*sammājīva*) – the fifth factor of the Noble Eightfold Path in Buddhism. In social aspect, Buddhism also draws attention to the importance of proper distribution of wealth in society to ensure the absence of poverty. Buddhist views that government takes the responsibly to find a proper policy to provide equal opportunity for their citizen to achieve economic stability and arrange fair distribution of wealth in such a way that a wide gap between the rich and poor is prevented from emerging. In this regard, *dāna pāramī* – the perfection of giving is considered as one of the appropriate tools as it is a genuine way of wealth distribution. In Buddhism, *dāna* is an action comes from the motivation of alleviating suffering among the society which is realized by the one having opportunities to give and share. Peter Harvey emphasize that: *“The primary ethical activity which a Buddhist learns to develop is giving, dāna, which forms a basis for further moral and spiritual development. Generosity is not only practiced towards the Saṅgha, but it is a pervading value of Buddhist Societies.”* (Harvey, P. 2013). Accordingly, this practice can be applied both in individual and social aspects, not only in the Buddha’s time by the kings, government, merchants, and householders as mentioned in many sutta but also by every member of the society including rich people, companies, trading groups, governments, etc.

Mentioned in his book, Abeynayake thinks that both poverty alleviation and economic development depends on the human’s will to live in harmony with nature (Abeynayake, O. 2016). Under the guise of material development, to fulfill and satisfy the unlimited want of consumer society, economics tries to obtain maximum outputs from the natural resources. Unfortunately, in reality, that unlimited want can never be fulfilled while the natural resources are facing the situation of gradual scarcity. As the result, mainstream economic practices are resulting in a downward environmental spiral, a vicious circle in which environmental degradation is growing in ever-greater extent (Kovács, G. 2014). If these trends continue, neither can poverty be eliminated nor can

economic development be achieved. Buddhism disapprove the over-exploitation of the natural resources without concern for the resulting deterioration of the natural environment and depletion of non-renewable resources which is being carried out by the policies of mainstream economic at the present. Buddhism views that everything in the world is interconnected and human beings are not independent unconnected entities. Buddhism emphasizes the interconnection between the three spheres of human existence (individual, society and environment or nature) basing on the theory of Dependence Arising and Causality. Accordingly, Buddhism highlights the importance of careful reflection upon the full, long-term consequences and intent of production, consumption and other human actions for both current generation and future generation. As every action affects the whole universe and the self only exists in relation to others, actions that exploit the natural resources or environment are self-injuring. The unified and interconnected nature of the universe suggests paying attentions to care for the environment as well as to find for proper manners on the exploitation and utilization of natural resources. Because any of these activities will have adverse repercussions in direct proportion to the extent of intervention. Environmental awareness and sustainability are inherently embedded in the Buddha's teaching as an emerging consequence of Buddhist lifestyle. Buddhism aims at a livelihood harmonizing with virtuous changes and leading to positive consequences on environmental harmonized, happy and meaningful life in this very life as well as preserve the environment's ability and natural resources of the future generation in parallel<sup>3</sup>. The ethical instructions of the *pañcasīla* or the Five Precepts also refer to environmental preservation and it can be also justified as one of the

---

3. According to *Aggañña sutta* (DN 27), the fall in ethical standards is considered to harmfully effect upon the natural order affecting even the movement of the sun, moon and the planets, regularities in weather and climate and patterns of rainfall. The Buddha's concern for environment, trees and forest is highlighted in the *Varanopa sutta* (SN 1.47) wherein it is stated that the planting of gardens and forests are meritorious acts. Monks are prohibited in the *Vinaya Pitaka* to cut down trees, citing the popular belief that trees are living organism. In the *Cakkavattisihanāda sutta* (DN 26), the Buddha has stated that public policy should contain provisions for environment protection. The *Kūṭadanta sutta* (DN 5) states that government plans must cover the protection of plant and animal species protection as well. Environment is considered as one of the for factor that facilitate economic welfare according to *Cakka sutta* (AN 4.31).

ways to keep natural capital fully intact for distant future generations of humanity. The Five Precepts are considered as the foundation of Buddhist environmental ethics (Harris, I. 1994; Harvey, P. 2000).

Many decades ago, in his book *“Small is beautiful”*, Schumacher gave a prediction which has become more and more obviously true today that an attitude to life which seeks fulfillment in the single-minded pursuit of wealth – in short, materialism – does not fit into this world, because it contains within itself no limiting principle, while the environment in which it is placed is strictly limited. Already, the environment is trying to tell us that certain stresses are becoming excessive (Schumacher, E.F. 1973). According to Buddhism, another important virtue needs to be connected with the economic life of a person is a sense of balance with regard to one’s patterns of consumption. At the present time, globalization and the free-market economy have the tendency to proliferate the wants, attracting people to the acquisition of an abundance of fancy and luxury goods. As analyzed by Premasiri, media plays an active role through a propaganda machinery to inculcate excessively materialist values among the youth. It becomes difficult, especially for persons of the youth and adolescent age group to resist the temptation to acquire for themselves as many fancy goods as possible imagining that what could make them happy are those possessions. Such a frenzy of desire ultimately results in frustration and disappointment when they find that they do not have the financial means to achieve what they crave for (Premasiri, P. 2011). In this regard, the Buddhist cognition of desire and the simplification of it as interpreted above is the key point, because of its greatest opposition with the mainstream economic system. Buddhist psychology recognizes the fact that there is no ultimate point of satisfaction in the gratification of sense desires, hence it proposes that the greatest wealth is contentment (*santutṭhi paramam dhanam*)<sup>4</sup>. It encourages human beings to satisfy their basic needs and to abandon any other worldly cravings, which can contribute to social well-being by the avoidance of the craving-driven wealth accumulation and overconsumption. Besides, as stated by Welford, the thought of contentment provides the opportunity for businesses to concentrate less on providing

---

4. According to *Dhammapada sutta*, verse 204.

non-essential consumer goods and more on providing essential goods and services... that will remediate environmental damage and serve the poor and needy (Welford, R. 2006).

In summary, Buddhism advocates the twofold development. In other words, development is the progress that both material and moral aspects must be equally included as a rule. The sake of the individual's happiness, social stability and security is the goal that economic development aim to achieve. But in fact, mainstream economic system seems to exhaust itself on the path leading to its goal. At the time being, the ecological imbalance created by the pursuit of material wealth without ethical controls is becoming the greatest threat to the world. It is the concrete evidence of the harmful effects of ignoring the importance of moral aspects in adopting effective measures in economic development. According to Buddhism, in order to escape the impending disaster that humanity has to encounter in the meantime to achieve the sustainable economic development which serves the whole of society and protect the environment and its diversity, moral aspect is the indispensable need for this progress.

#### 4. THE IMPLICATIVE BUDDHIST APPROACHES FOR SUSTAINABLE ECONOMIC DEVELOPMENT

As mentioned, the original purpose of economics is the realization of happiness and well-being for human beings in both individual and social aspects. Associated with the aforementioned definition of sustainable development, hence economic aims to the development that not only attains the goal of happiness but also meets the two demands including in the definition. Similarly, in Buddhist economic perspective, any economic activities should be a means to alleviate suffering and attain happiness and well-being. It is denoted the alleviation of suffering and attainment of happiness cannot be achieved without economic activities associated with wealth. In various discourses, the Buddha has given many advices and guidance relating to three fundamental wealth managing activities: acquisition, conservation and consumption of wealth. And how to attain the goal of happiness and well-being in this life through these three activities which ensure the human economic adequateness as well as the balance among the interconnectedness

and independence of individual, society and environment or nature. The Buddha's teachings relating to these three can be considered as the approaches for sustainable economic development.

• *Acquisition of wealth*

Acquisition of wealth comprises all the economic activities of economic agents related to earning for living. In other words, it is the process of producing goods and service and obtaining profit or wealth from it. Buddhism focuses on ethical restraints on what to produce and how to acquire wealth according to righteousness. In *Dīghajāṇu sutta* (AN 8.54) of Aṅguttara Nikāya, the Buddha mentioned four factors leading to happiness and well-being in this very life. Among them, the first factor – *uṭṭhānasampadā* (accomplishment of persistent diligence) focuses on how to acquire wealth. Accordingly, having the skill and knowledge to fulfill or manage one's duties at work or profession are the conditions of creating wealth. It also refers to the patience needed for people to work together as a team and knowledge to recognize the work left undone as well as to be understood as the ability of an inquiring thinking and performing, organizing and administering one's work as required systematically and efficiently. Skills can be acquired through education, training and experience. In *Pāpaṇika sutta* (AN 3.20), Buddha suggested three qualities to succeed in business. They are: (1) to be shrewd by knowing products or one's own work so well that he/she can set an adequate price and estimate the right profit, (2) to be capable of administering business, knowing the buying and selling markets well, capable of purchasing, marketing, and understand customers, and (3) to establish a good credit rating and to earn trust of financial sources.

Moreover, the Buddha emphasizes in factor "*uṭṭhānasampadā*" that prosperity and financial security must be obtained legally and morally by diligent effort, hardworking and non-violence. Not harming (oneself, any other living beings and environment), honesty and ethics must be taken into consideration in any business. Buddhism denotes that there is nothing inherently wrong associated with any product, indeed the problem lies on one's intention as Harvey says (Harvey, P. 2013) "... a focus on amassing wealth is problematic, but wealth itself is not evil; the important

thing is how it is made and used” (Bhar, S. 2018). In this regard, to revisit the notion of “self-standard” mentioned in *Veludavāreyya Sutta* (SN 55.7) which is considered as the criterion in deciding good and bad is a lucid explanation regarding means of earning wealth. Herein the Buddha explains how one should consider that just as one abhors death, but desires to live, abhors suffering but yearns for happiness, dislikes if another tries to harm one’s life, similarly others too, dislike and abhor unhappiness, or physical harm. Understanding that just as one wants happiness safety of life and so on, or he should refrain from doing anything to others what one does not want others to do oneself. Based on “self-standard”, one should find means of acquiring wealth which not to engage in any kind of evil occupation that direct and indirect harm others.

Besides the aspect of how to acquire wealth righteously, in production aspect, Buddhism provides three to decide what should apply in our current situation based on the discernment of our interdependence with the future generations, the earth and its ecosystems. They are (1) utilize limited resources and energy cost-effectively, (2) create the least amount of waste as is possible, and (3) primarily focus on supplying basic necessities to all members in society. These three suggestions, as analyzed by Priyanut, impose the minimum cost possible to produce the quantity needed for basic human survival in the community, subject to waste absorption and the renewability of the resource within the biosphere. That is, the choice of method or technology of production must have the least social cost among all choices; the production of goods should be operated with the least amount of factor inputs among all feasible choices. Society should primarily aim at producing things that are necessary to fulfil the basic needs of its members – the sufficient level of basic necessities (Priyanut, P. 1997).

- *Conservation of wealth*

After earning wealth through diligent effort and hardworking, the next issue is how to protect one’s wealth to prolong the enjoyment and benefit arising from it. From Buddhist perspective, every phenomenon is impermanent, hence living within constantly changing conditional factors, there are many reasons to prepare for unexpected situations. Also mentioned in *Dīghajāṇu sutta* (AN

8.54), Buddha enumerated the external conditional factors that may affect personal wealth. They are: natural disasters, fire, theft, unintended and displeasing inheritors who may destroy wealth, wrongful seizure by the state. In this connection, the Buddha's teaching in *Paṭhamaaputtaka Sutta* (SN 3.19) stressed that properly utilizing wealth can be considered as a way of conserving it<sup>5</sup>.

The *Kula Sutta* (AN 4.258) too informs four approaches to conserve wealth by not engaging in unnecessary life-patterns leading to its waste, namely: (1) searching for what is lost, (2) repairing what is dilapidated, (3) consuming moderate amount of food and drink and (4) placing a virtuous, principled woman or man in the position of authority. These four are equally valid for the individual, family, society and the state in maintaining an economic stability. Practically, these four approaches are consistent with sustainable wealth management. Specifically, the first two suggests us to take responsibility to maintain the availability of natural and material resources both in quantitatively and qualitatively within the technology and knowledge constraints, to protect it from becoming exhausted and lost. Practically, it is necessary to search methods to renew the renewable resources that we have used, to search for the new locations of non-renewable resources and efficiently exploit and use them, to seek out what is lost, recycle product materials, and repair things to prolong their use. In summary, it is the utilization of all possible tools and methods to conserve wealth in the long run. The third advices to form the mindset of sustainable wealth utilization which based on needs, not on desire. The last is indeed very important for handling wealth for performing responsibility to the right person. There is an interesting point that the role of women in saving and conservation of wealth is also emphasized in Buddhism<sup>6</sup>. In oriental country, this teaching is very important

---

5. "When wealth is properly put to use, kings don't make off with it, thieves don't make off with it, fire doesn't burn it, water doesn't sweep it away, and hateful heirs don't make off with it. Thus, the wealth to be properly put to use goes to a good use and not to waste." (*Paṭhamaaputtaka Sutta* (SN 3.19))

6. According to *Lokavijaya I Sutta* (AN 8.49) Buddha states that: "Here, a woman guards and protects whatever income her husband brings home whether money or grain, silver or gold and she is not a spendthrift, thief, wastrel, or squanderer of his earnings. It is in this way that a woman safeguards his earnings."

in household economic since wife conserves and manages wealth while husband is usually the bread winner. If a wife were not skillful in conserving and managing, wealth would be lost by wrong use, ill-spending, squandering, etc. Moreover, conserving or saving wealth is one of the three aspects of wealth management which was emphasized by the Buddha in *Sigālovāda Sutta* (DN 31): “*In four portions his wealth is shared, one portion for his wants he uses, two portions on his business spends, the fourth for times of need he keeps.*” These are the principle used in wealth management even today. Here, the last portion of wealth needs to be paid attention. In fact, there are possibilities of immeasurable risks, losses, bankruptcy, etc., in economic activities. Therefore, a portion of wealth which is kept for times of need is important. In some cases, it would be used like capital to reinvest. Supposed a person suddenly faces with accident or illness, without money or wealth it would be very hard for him to resolve or overcome these problems.

For Buddhist economics, the conditional factors directly related to the conservation of wealth are the principles of justice. Moreover, economic activities related to the sustainable economic development are directly linked to the structure of the justice system in society. Because the principles of justice are critical not only for conserving wealth but also providing the foundation for the principle of fairness, which is used to allocate and distribute resources in society. It is indicated that the main objective of justice in Buddhist economic system is to control, minimize and prevent crime, offence, or any other harm which has arisen from desires in any economic actions. In this regard, the Buddha pointed out the cause of one of the social problems, which is still insolvable at the time being, in *Aggañña sutta* (DN 27) that to be driven by desire, human being privatizes the common goods as well as unlawfully, un-righteously accumulates and conserves the extreme proportions of private wealth. The consequence of it is the poverty, crime, imbalance of society, and the maldistribution of resources. The first and foremost responsibility for this social problem is assigned to the state. Hence, apart from promulgating proper policies to alleviate poverty as well as develop industries, agriculture and trade to achieve the generation national wealth, from Buddhist economic

perspective, the state has a duty to maintain stability and order in society by providing lawful protection and safety, and by not allowing wrongdoing and crimes to prevail in society. The role of state is based on the principles of justice.

- *Consumption of wealth*

Consumption is the last wealth management activity after righteously acquiring and properly conserving it. The aforementioned general framework of wealth utilization given to the young man named Sigāla by the Buddha in *Sigālovāda sutta* (DN 31) seems to have a relevance for all individuals, families, societies and states irrespective of time and geographical boundaries. Three aspects of using wealth: consumption, investment and conservation, are emphasized. Specifically, only one fourth of the earnings is used to consume, while the next two fourths are used to invested and the last one fourth as mentioned above is used to conserve. Here, from Buddhist economic perspective, one has the complete right to enjoy or make life easier with the help of the wealth generated through one's own hard work, provided the use of it, is directed toward karmically fruitful action to help oneself as well as family, friends, relatives, society and other beings (Harvey, P.2013). On the other hand, he can also use personal wealth to invest in order to generate more wealth within the certain restrained budget<sup>7</sup>. The consumption of wealth consistent with Buddhist principles called "balanced living" (*samajivita*) which is also highlighted in *Dīghajāṇu sutta* (AN 8.54) as skillful in utilization of wealth. Accordingly, awareness of income and expenditure are indicated as the essential for leading a balanced life. One should not be too extravagant nor too frugal. It is recommended that one's expenses or consumption and investment must be less than or equal to income within a specified period of time. Consumption according to Buddhist

---

7. In *Pañcabhoga Ādiya sutta* (AN 5.41) of *Aṅguttara Nikāya* the Buddha mentioned that the family budget should be divided into five, namely: (1) Properly making oneself as well as his parents, wife, children, slaves, workers happy and pleased, (2) Properly making his friends and companions happy and pleased, (3) Making provisions against the losses of wealth that might arise from fire, floods, kings, thieves or displeasing relatives, (4) Making the five obligations to relatives, guest, ancestor, king and deities, (5) Establishing an uplifting offering of alms to virtue and respectable ascetics and brahmins who are seeking for ultimate liberation. He did not say that each part should be 20% of one's earnings, but he taught that one should budget for each of these sorts of expenditure.

economic philosophy also contributes toward an ethical attitude about owning wealth, that is to be content with one's best effort to acquire and conserve righteously. The one who enjoys his wealth in this manner will lead a dynamic, balanced life without extravagance or misery.

Besides, balanced living also implies an attitude of generosity towards others in society. According to Buddhism, generosity should be realized through intentional actions to alleviate the suffering arise from empathy and the understanding of our interconnectedness and dependence with others. In this regard, *dāna pāramī* – the perfection of giving is considered as one of the appropriate tools as it is a genuine way of wealth generous sharing. From the Buddhist perspective, in individual level, voluntary giving based on generosity creates positive karmic forces within oneself, realized as pleasant feelings now and wealth in the future. Experiencing good results from giving and sharing naturally encourages one to give more, and subsequently leads to an attitude of non-clinging on material wealth, which is considered as one of the causes leading to suffering. In social level, based on the theory of the law of karma, Buddhism views that the external conditional factors in society are set up in the way we think, act and live. Thus, the more exposed to the generosity model we are, the more likely we are to engage in generosity behavior and act as well as living in a society that promotes generosity, we become more generous. This living way will lead to a positive impact on oneself and lay the foundation for building a more sustainable society.

Harvey stated that even if wealth is produced in the appropriate manner and used for benefiting oneself and other beings, it may still become immoral if one approaches that wealth for satisfying his or her desire or longing and in the process gets attached to that wealth (Harvey, P.2013). In spite of acknowledging the need of consumption or rather, basic consumption, Buddhism strongly critiques heedless indulgence in consumption in order to fulfill various unlimited wants of human beings. Accordingly, Buddhism indicated it as the primary foundation of the consumer culture or consumerism at the time being. From Buddhist perspective, through a propagandist system to inculcate material values as well as impacts into the innate desire (*tānha*) of the consumer with the

help of social media, consumerism produces false identity, deludes consumer on defining what they really need and what they want. Due to this fact, consumerism fosters human self-centeredness which only focuses on satisfying self-interest regardless of harm to other living beings. This fact indicates why consumerism is considered as an equally harmful activity toward oneself, other living beings and the environment as a whole. Moreover, in the moral aspect, consumerism promotes clinging and attachment and distracts one from the right path of spiritual or moral development. The analysis on the psychology of desire mentioned above paves the way for rethinking about our current consumption trends. The Buddhist insights on the cognition of the two kinds of desire: *chanda* and *tanhā*, can lead to a liberating self-awareness that can dissolve the confusion between what is truly beneficial and what is truly harmful in consumption as well as distinguish goods and services are consumed to satisfy the desire for true happiness and well-being or to satisfy the desire for pleasing sensations or ego-gratification. Based on the cognition of *chanda* and *tanhā*, right and wrong, harmful and unarmful in consumption, Buddhist economics advises a very practical application that follows primarily from the Buddhist tradition, that is mindfulness; which in this regard is called mindful consumption. Evidences throughout the Buddhist practice history and current researches show that mindfulness increases the likelihood of engaging in ethical behavior, upholding ethical standards, and employing a deliberate and thorough approach to ethical decision making (Ruedy and Schweitzer, 2010). Indeed, according to Buddhist philosophy, the foundation of any moral behavior in Buddhism is “to be right mindful” (*samma sati*) of one’s action. Mindfulness can be concisely defined as being aware of one’s own thoughts. If this principle is extended in the present world of consumerism, one needs to be consciously aware of each and every thought. Based on this awareness, the consumer can control those thoughts that give rise to desires in his/her mind to buy new stuffs and indulge in various consumption practices. Through mindful consumption, consumers are able to realize the effects of their consumption and also be aware of the futility of indulging in desires.

It is quite clear that Buddhist approach not only pays a lot of

attention to morally right and wrong underlying motives behind consumption psychology and attitudes, emphasizes the responsibility of consumers but also applies the technique of mindfulness to restrain the act of consumption to ensure the righteous, unharmed, non-violent consequence of the whole consumptive process. Therefore, mindful consumption will help us to follow a path of spiritual and moral development for ensuring sustainable development, happiness and wellbeing for individual, society, environment and nature as the whole, guaranteeing the natural resources and environment's ability for the future generations, as well.

## 5. CONCLUSION

The Buddhist approach on human desire, the primary psychology factor of economic activities in general and consumption activities in particular, is the uniqueness of Buddhist economic philosophy which distinguishes it with the mainstream economics. Based on the analysis of two kinds of desire: *chanda* and *tanhā*, Buddhist economics asserts that consumption must be the economic activities to satisfy the desire for true happiness and well-being (*chanda*); but not to satisfy the desire for pleasing sensations or ego-gratification (*tanhā*). This fact advises a model which helps to manage consumer society as well as paves the way for finding proper solutions to reduce and prevent current harmful effects of consumerism such as over-exploitation natural resources, serious environmental destructions, imbalance society and threats the sustainable living of the next generations, etc.

Buddhism recognizes that the sustainable development goals cannot be achieved in the absence of economic development. Nowadays, the achievements of science and technology of economic has revolutionized the material conditions of modern living; however, mainly focusing on material gain and not concerning to moral aspect has made the current economics fail to tackle the challenge of sustainable development in a meaningful way as well as face with many problems relating to economic development itself, the environment, society and even the security of the next generation. In parallel with material development, moral development permeates in Buddhist economic philosophy.

It is an essential complement to current economic system which is considered as inadequate and lopsided. For Buddhism, (any) development is the progress that both material and moral aspect must be equally included as a rule. Commenting in this regard, Peter L. Daniels considered that the true scope of economics must be highly relevant to religious and ethical systems which structure the manner of livelihood, the morality of all aspects of behavior and its implications, and the means, measures and ideal aspirations and goals of human endeavor. In this sense, there is a very legitimate basis for developing logical connections between Buddhism and the study of economic systems (Peter L. D, 2003).

Focusing on legal, moral, non-harmful and non-violent means of acquisition, conservation and consumption of wealth, the Buddha's teaching on wealth management provides an implicative economic model due to its attitude of achieving the prosperity and economic development in a sustainable world with minimal suffering as its goal. Additionally, as stressed by Kovács, not just because it helps to recover the imbalance in the distribution scheme, but because it has stabilizing social effects and more importantly it could restore trust amongst the actors of the economy (Kovács, G. 2011). Hence, it is quite clear that Buddhist philosophy decides morally right and wrong actions, not by directly judging a wealth or an object, but rather by evaluating the process of production, usage of the product, and the underlying motives behind its consumption. In other words, instead of just deliberating upon wealth or its production process, for determining its moral status, Buddhism accentuates the need to understand one's relationship with that wealth by reflecting on the process of acquisition, conservation and consumption of wealth.

#### ABBREVIATIONS

AN	Aṅguttara Nikāya
DN	Dīgha Nikāya
Dhp	Dhammapada sutta
SN	Saṃyutta Nikāya

## References

- Schumacher, E.F. (1973), *Small is beautiful*, available at: <https://www.ee.iitb.ac.in/student/~pdarshan/SmallIsBeautifulSchumacher.pdf> (access December 1, 2018).
- Payutto, P.A. (1998), *Buddhist economics: A Middle Way for the Market Place*, Bangkok: Buddha Dhamma Foundation, pp. 35.
- Abeynayake, O. (2016), *The Social and Economic Dimensions of Early Buddhism*, Hong Kong: The Buddha – Dharma Center of Hong Kong, pp. 71-76; 95-100.
- Grof, S. (1998), *The Cosmic Game. Explorations of the Frontiers of Human Consciousness*, New York: State University of New York Press, pp. 207.
- Harvey, P. (2000), *An Introduction to Buddhist Ethics*, Cambridge: Cambridge University Press.
- Harvey, P. (2013), *An Introduction to Buddhism: Teachings, History, and Practices*, 2<sup>nd</sup> ed. Cambridge: Cambridge University Press, pp. 52; 267-268.
- Harvey, P. (2013), “Buddhist reflections on “consumer” and “consumerism”, *Journal of Buddhist Ethics*, Vol. 20, pp. 334–356.
- Welford, R. (2006), “Tackling Greed and Achieving Sustainable Development.” In: Zsolnai, Laszlo and Knut Johannessen Ims, ed., *Business within Limits. Deep Ecology and Buddhist economics*, 1<sup>st</sup> ed. Bern: Peter Lang Academic Publisher, pp. 44.
- Welford, R. (2013), *Corporate Environmental Management 3: Towards Sustainable Development*, New York: Earthscan, pp. 127-147.
- Zsolnai, L. (2011), “Why Buddhist economics”. In: L. Zsolnai, ed., *Ethical Principles and Economic Transformation – A Buddhist Approach*, 1<sup>st</sup> ed. Dordrecht: Springer Press, pp. 4-5.
- Stavrakakis, Y. (2006), “Objects of Consumption, Causes of Desire: Consumerism and Advertising in Societies of Commanded

- Enjoyment”, *Journal of Theory and Criticism*, Vol.14 No.6, pp. 83-105.
- Kittiprapas, S. (2015), “Buddhist Approach and Happiness for Sustainable Development”, *The Journal of International Buddhist Studies College (JIBSC)*, Vol.1 No.1, pp. 107-145.
- Mutakalin, G. (2014), “Buddhist economics: a model for managing consumer society”, *Journal of Management Development*, Vol. 33 Issue: 8/9, pp.824-832, DOI: 10.1108/JMD-09-2013-0116.
- Peter L. D, (2003), “Buddhist economics and the environment: Material flow analysis and the moderation of society’s metabolism”, *International Journal of Social Economics*, Vol. 30 Issue: 1/2, pp.8-33, <https://doi.org/10.1108/03068290310453592>
- Brown, C. (2015), “Buddhist economics: An Enlightened Approach to the Dismal Science”, *Challenge*, Vol.58 No.1, pp. 23-28, DOI: 10.1080/01603477.2015.990826.
- Brown, C. (2017), *What makes People happy?*, available at: <https://www.psychologytoday.com/intl/blog/buddhist-economics/201706/what-makes-people-happy> (accessed December 12, 2018).
- Kovács, G. (2011), “The Buddhist Solution for the Deficiencies of Corporate Social Responsibility (CSR)”, In: UNDV Conference proceeding on *Buddhist Virtues in Socio-Economic Development*, organized by UNDV, Thailand: Mahachulalongkornrajavidyalaya University, pp. 87-99.
- Kovács, G. (2014), *Buddhist Approach to Sustainability and Achieving Millennium Development Goals*, available at: [https://www.researchgate.net/publication/322723238\\_Buddhist\\_Approach\\_to\\_Sustainability\\_and\\_Achieving\\_Millennium\\_Development\\_Goals](https://www.researchgate.net/publication/322723238_Buddhist_Approach_to_Sustainability_and_Achieving_Millennium_Development_Goals) (accessed December 27, 2018).
- United Nations (1987), *Report of the World Commission on Environment and Development: Our Common Future 1987*, available at: <http://www.un-documents.net/our-common-future.pdf> (accessed December 27, 2018).

- Harris, I. (1994), "Causation and Telos: The Problem of Buddhist Environmental Ethics", *Journal of Buddhist Ethics*, Vol. 1, pp. 45-56.
- Premasiri, P. (2011), "Role of Ethics in Socio-Economic Development: A Buddhist Perspective", In: UNDV Conference proceeding on *Buddhist Virtues in Socio-Economic Development*, organized by UNDV, Thailand: Mahachulalongkornrajavidyalaya University, pp. 131-136.
- Bhar, S. (2018), "Consuming with Mindfulness: Import of Buddhist Philosophy for an Ethic toward Consumerism", *Pertanika Journal of Social Science & Humanities*, Vol. 26 (3), pp. 1563-1578.
- Priyanut, P. (1997), Ph.D. Thesis – *An Outline of Buddhist economic Theory and System*, available at: <http://www.summit.sfu.ca/system/files/iritems1/7461/b18902819.pdf> (accessed December 12, 2018).
- Ruedy, M. and Schweitzer, M. (2010), "In the moment: the effect of mindfulness on ethical decision making", *Journal of Business Ethics*, Vol. 95 No. 1, pp. 73-87.