

BUDDHIST ECONOMICS AND BUSINESS IN GLOBAL PERSPECTIVE

Dr.Ch.Venkata Sivasai

Abstract: Buddhism Has Always Accepted The Truth That Happiness Is An Essential Part Of Ethics. Happiness Gives Significance To The Practice Of Dhamma And Forms The Ground Or Support For Religious Observance Both On The Level Of Dhamma Practice And The Level Of Ethics In General. Peace Can Be Achieved By Non-Violent Ways. Wanting Less Can Substantially Contribute To This Task And Make It Happen Easier. Permanence, That Is, Ecological Sustainability Requires A Drastic Cut Back Of The Present Level Of Consumption And Production Globally. This Reduction Should Not Be An Inconvenient Exercise Of Self-Sacrifice. In The Noble Ethos Of Reducing Suffering It Can Be A Positive Development Path For Business.

Key Words: Dhamma, Peace, Happiness, Ethics

INTRODUCTION

Buddhist economics does not aim to build an economic system of its own. Rather it represents a strategy, which can be applied in any economic setting anytime. It helps to create livelihood solutions which reduce suffering of all sentient beings by Practicing want negation, non-violence, caring and generosity. Today's business model is based on and cultivates narrow self-centeredness. Buddhist Economics point out that emphasizing individuality and promoting the greatest fulfillment of the desires of the individual conjointly lead to destruction. Happiness research convincingly shows that not material wealth but the richness of Personal relationships determines happiness. Not things but people make people Happy. Western economics tries to provide people with happiness by supplying enormous quantity of things. But what people needs are caring relationships and generous love. Buddhist economics make these values possible by direct provision.

Business can be viewed as an important part of the modern world. Economic life plays the significant role in the daily life of people. As human life contains so many dimensions other than the economic one, human life which is seen through the economic dimension only could be considered too narrow. However, most of people in today's world seem to be directed by economics as if it were all of life. This fact leads to a question of how religion will benefit the people within this Context. The author aims to answer this question, basing the ideas on the Buddhist teaching. The main points of the article will focus on: "How to do business and have a happy life in terms of individuals and society at the same time."

This paper attempts to identify shared features of the contemporary business system that are compatible with Buddhist values. At the same time, applying Buddhist teachings and principles, this paper seeks to reconcile the assumed conflicts between these two systems. The paper begins by examining some of the limitations and challenges confronting the application of ethics in the business environment. Next it will discuss some common misconceptions people have about Buddhism and Buddhist teachings, with an overview of several key Buddhist ethics. This is followed by an assessment of the relevance, nature and implications of Buddhism, with respect to complementing the application of business ethics in the business environment.

Buddhism and the new global society

It is the manifest suffering and folly in the world that invokes humane and compassionate social action in its many different forms. For Buddhists this situation raises fundamental and controversial questions. And here, also, Buddhism has implications of some significance for Christians, humanists and other non-Buddhists. By "social action" we mean the many different kinds of action intended to benefit mankind. These range from simple individual acts of charity, teaching and training, organized kinds of service, "Right Livelihood" in and outside the helping professions, and through various kinds of community development as well as to political activity in working for a better society.

Buddhism is a pragmatic teaching which starts from certain fundamental propositions about how we experience the world and how we act in it. It teaches that it is possible to transcend this sorrow-laden world of our experience and

is concerned first and last with ways of achieving that transcendence. What finally leads to such transcendence is what we call Wisdom. The enormous literature of Buddhism is not a literature of revelation and authority. Instead, it uses ethics and meditation, philosophy and science, art and poetry to point a Way to this Wisdom. Similarly, Buddhist writing on social action, unlike secular writings, makes finite proposals which must ultimately refer to this Wisdom, but which also are arguable in terms of our common experience.

Buddhism offers to the individual human being a religious practice, a Way, leading to the transcendence of suffering. Buddhist social action arises from this practice and contributes to it. From suffering arises desire to end suffering. The secular humanistic activist sets himself the endless task of satisfying that desire, and perhaps hopes to end social suffering by constructing utopias. The Buddhist, on the other hand, is concerned ultimately with the transformation of desire. Hence he contemplates and experiences social action in a fundamentally different way from the secular activist. This way will not be readily comprehensible to the latter, and has helped give rise to the erroneous belief that Buddhism is indifferent to human suffering. One reason why the subject of this pamphlet is so important to Buddhists is that they will have to start here if they are to begin to communicate effectively with non-Buddhist social activists. We should add, however, that although such communication may not be easy on the intellectual plane, at the level of feelings shared in compassionate social action experience together, there may be little difficulty.

We have already suggested one source of the widespread belief that Buddhism is fatalistic and is indifferent to humanistic social action. This belief also appears to stem from a misunderstanding of the Buddhist law of Karma. In fact, there is no justification for interpreting the Buddhist conception of karma as implying quietism and fatalism. The word karma (Pali: kamma) mean volitional action in deeds, words and thoughts, which may be morally good or bad. To be sure, our actions are conditioned (more or less so), but they are not inescapably determined. Though human behavior and thought are too often governed by deeply ingrained habits or powerful impulses, still there is always the potentiality of freedom — or, to be more exact, of a relative freedom of choice. To widen the range of that freedom is the primary task of Buddhist mind training and meditation.

The charge of fatalism is sometimes supported by reference to the alleged “social backwardness” of Asia. But this ignores the fact that such backwardness existed also in

the West until comparatively recent times. Surely, this backwardness and the alleged fatalistic acceptance of it stem from the specific social and political conditions, which were too powerful for would-be reformers to contend with. But apart from these historic facts, it must be stressed here that the Buddha’s message of compassion is certainly not indifferent to human suffering in any form; nor do Buddhists think that social misery cannot be remedied, at least partly. Though Buddhist realism does not believe in the Golden Age of a perfect society, nor in the permanence of social conditions, yet Buddhism strongly believes that social imperfections can be reduced, by the reduction of greed, hatred and ignorance, and by compassionate action guided by wisdom.

If corporation does not have a conscience and is primarily an impersonal profit-making institution, what responsibilities does it have to its stakeholders, such as consumers, employees, and government, and to society? What rules, and who, should govern and control its activities, which have moral implications for its stakeholders, if it cannot or will not do so? 2) If a corporation is more than a profit-making institutional stakeholder, what is the source and basis of its moral responsibility? To whom is it responsible beyond its economic obligations? How should it implement its moral and social responsibilities to its stakeholders?

Objectives:

Explore, discuss and agree on key characteristics of profitable business enterprises aligned with Buddhist inspired values;

Explore Gross National Happiness, its relation to Buddhism, and implications for business management;

Create an informal working group to advance the agenda of Buddhist inspired values in entrepreneurship.

Create an informal working group to advance the agenda of Buddhist inspired values in entrepreneurship.

RESEARCH METHODOLOGY

Buddhist Economics for Business Perspective

The paper explores Buddhist economics for transforming business toward a more ecological and human form. Buddhist economics is centered on want negation and purification of the human character. It challenges the basic principles of Western economics, (i) profit-maximization, (ii) cultivating desires, (iii) introducing markets, (iv) instrumental use of the world, and (v) self-interest based ethics. Buddhist economics proposes alternative principles such as (I) minimize

suffering, (II) simplifying desires, (III) non-violence, (IV) genuine care, and (V) generosity.

Buddhist economics is not a system but a strategy, which can be applied in any economic setting. Buddhist economics provides a rational, ethical, and ecological value background, which promotes happiness, peace and permanence.

The Conception of “No-Self”

Buddhism challenges this view by a radically different conception of the self, that is, “anatta”, the “no-self”. Anatta specifies the absence of a supposedly permanent and unchanging self. What is normally thought of as the “self” is an agglomeration of constantly changing physical and mental constituents which give rise to unhappiness if clung to as though this temporary assemblage. The “anatta” doctrine attempts to encourage the Buddhist practitioners to detach themselves from the misplaced clinging to what is mistakenly regarded as self, and from such detachment (aided by moral living and meditation) the way to Nirvana is able successfully to be traversed. Modern neuroscience supports the Buddhist view of the self. What neuroscientists discovered is can be called the selfless (or virtual self), “a coherent global pattern, which seems to be centrally located, but is nowhere to be found, and yet is essential as a level of interaction for the behavior”. The non-localizable, non-substantial self acts as if it were present, like a virtual interface. When Western economics promotes doing business based on individual, self interested, profit- maximizing way, Buddhism suggests an alternative strategy. The underlying principle of Buddhist economics is to minimize suffering of all sentient beings including human and non-human beings. In more technical terms the suffering minimizing principle can be formulated that the goal of economic activities is not to produce gains but the decrease losses. This is an adequate strategy in the light of experimental decision research. Because humans (and other sentient beings) display loss-sensitivity it does make sense trying to reduce losses rather than trying to increase gains. Losses should not be interpreted only in monetary terms. Also they should not apply only to humans. Suffering, that is the capability of experiencing losses, is universal in the realm of natural and human kingdom.

Simplifying Desires

Western economics cultivates desires. People are encouraged to develop new desires for things to acquire and for activities to do. The profit motive of companies requires creating more demand. But psychological research

shows that materialistic value orientation undermines well-being. “People who are highly focused on materialistic values have lower personal well-being and psychological health than those who believe that materialistic pursuits are relatively unimportant. These relationships have been documented in samples of people ranging from the wealthy to the poor, from teenagers to the elderly, and from Australians to South Koreans.” These studies document that “strong materialistic values are associated with a pervasive undermining of people’s well-being, from low life satisfaction and happiness, to depression and anxiety, to physical problems such as headaches, and to personality disorders, narcissism, and antisocial behavior.

When they succeed in attaining their goals, this usually does not bring what they hoped for and their feeling of discomfort are not relieved. So striving for satisfying desires never bring people the fulfillment they expect from it. The Buddhist strategy suggests not to multiply but to simplify our desires. Above the minimum material comfort, which includes enough food, clothing, shelter, and medicine, it is wise to try to reduce one’s desires. Wanting less could bring substantial benefits for the person, for the community, and for nature. Buddhism recommends moderate consumption and is directly aiming at changing one’s preferences through meditation, reflection, analyses, autosuggestion and the like. Time should be divided between working for consumption and meditation. What is the optimal allocation between these two activities? The Buddha says that the optimum is some meditation to lower the desire for consumption and to be satisfied with less, and some consumption and thus to work that it entails. This is the “Middle Way”. In economic terms this means “the marginal productivity of labor involved in producing consumption is equal to the marginal efficacy of the meditation involved in economizing on consumption without altering satisfaction”. Desiring less is even fruitful in the case of money. Western economics presupposes that more money is better than less money. But, getting more money may have negative effect. Overpaid employees and managers do not always produce high-level performance. Being under financed might be beneficial for a project. If people have smaller budget they may use the money more creatively and effectively. Jesus had no budget at all for financing his mission.

Practicing Non-violence

In the age of globalization we can experience this marketization process in a much larger scale and in a more speedy way than ever. Market is a powerful institution. It can provide goods and services in a flexible and productive way, however it has its own limitations. Limitations of the

market come from non-represented stakeholders, under-represented stakeholder, and myopic stakeholders. Primordial stakeholder such as nature and future generations are simply not represented in the market because they do not have a “vote” in the terms of purchasing power. They cannot represent their interest in supply and demand. Other stakeholders such as the poor and marginalized people are under-represented because they do not have enough purchasing power to signal their preferences in the market.

Finally, stakeholders who are well represented in the market because they have enough purchasing power, often behave in a myopic way, that is, heavily discount values in space and time. Market prices usually show the values of the strongest stakeholders and favor preferences here and now. Because of these inherent limitations the market cannot give a complete, unbiased direction for guiding economic activities. Non-violence (called “ahimsa”) is the main guiding principle of Buddhism for solving social problems. It is required that an act should not cause harm to the doer and the receivers. Non-violence prevents doing actions directly causing suffering for oneself or others and urges to find solutions by a participative way. The community economy models are good examples. Communities of producers and consumers are formed to meet the needs of both of them at the lowest cost and reduced risk by a long-term arrangement. Community supported agriculture is the prime example of community based economic activities. Its essence is simple: a group of people agrees to buy in advance, shares of a farmer’s harvest of food grown in an ecologically sound manner. It is a small-scale system whose central decision making body is the group of the farmer and the consumers. Community supported agriculture adopts a long-term perspective, decommo-dify food and land, and reject monoculture and chemicals. Community supported agriculture strives to foster trust, to build value-community and to bring people closer to the land and the farm.)

Achieving ecological sustainability and non-violence requires altering the underlying structure of dominating configurations of modern business. This means deemphasizing profit maximization and market systems and introducing small-scale, locally adaptable, culturally diverse way of substantive economic activities.

FINDINGS OF THE STUDY

Caring organizations are rewarded for the higher costs of their social responsible behavior by their ability to form commitments among owners, managers and employees and

to establish trust relationships with customers and sub-contractors.

Generosity There is a place for ethics in Western economics, however a little one. The Western economic man is allowed to consider the interest of others only if it serves his or her own interest. The self-interest based, opportunistic approach to ethics often fails. By creating new regulations to temper opportunistic behavior in and among organizations, we might temper the symptoms but often reinforce the underlying roots of opportunism. We introduce economic incentives like benefits, such as premiums or tax relief for those who respect the new regulations, but by doing this, we substitute moral feelings for economic calculations. Preaching moral concepts such as trust, responsibility or democracy on the basis of calculative self-interest or as conditions of systemic functionality opens the door for suspicion and distrust because calculations and systemic conditions can easily be manipulated. When the fox preaches, guard your geese. Therefore we must put forward not only the question of how to make business ethics operational, but also the question of how to make it genuinely ethical. Generosity might work in business and social life because people are “Homo reciprocans.” They tend to reciprocate what they get and often they give back more in value to the doer than he or she gave to them.

Self-regarding worker would choose the minimum feasible level of effort, and, anticipating this, the self-regarding employer would offer the minimum wage. But experimental subjects did not conform to this expectation. Employers made generous offers and workers’ effort levels were strongly conditioned on these offers. High wages were reciprocated by high levels of efforts.

Buddhist economics represents a minimizing framework where suffering, desires, violence, instrumental use, and self-interest have to be minimized. This is why “small is beautiful” and “less is more” nicely express the essence of the Buddhist approach to economic questions.

Notes and References

- Bouckaert, L. 2006: “The Ethics Management Paradox” *Interdisciplinary Yearbook of Business Ethics*. 2006 (Vol 1) pp. 191-194.
- Douthwaite, R. 1996: *Short Circuit. Strengthening Local Economics for Security in an Unstable World*. 1996. The Lilliput Press.
- Kasser, T. 2002: *The High Price of Materialism*. MIT Press. Cambridge, Massachusetts and London, England.

Kolm, S-C. 1985: "The Buddhist theory of 'no-self'" in Jon Elster (ed): *The Multiple Self*. 1985. Cambridge University Press. Cambridge. pp. 233-265.

Lane, Robert, E. 1998: "The Joyless Market Economy" in Avner Ben-Ner and Louis Putterman (eds.): *Economics, Values, and Organizations*. 1998. Cambridge University Press, Cambridge. pp. 461-488.

Payutto, P.A. 1994: *Buddhist Economics. A Middle Way for the Market Place*.

<http://www.geocities.com/Athens/Academy/9280/payutto.htm>

Polanyi, K. 1946: *The Great Transformation : The Political and Economic Origins of our Time*. Victor Gollancz Ltd., London.

Polanyi, K. 1971: *The Livelihood of Man*. Academic Press, New York.

Schumacher, E.F. 1973: *Small is Beautiful. Economics as if People Mattered*. .



Assistant Professor
School Of Buddhist Studies & Civilization
Gautam Buddha University
Greater Noida, U.P
Email. Ncym2030@Gmail.Com