

# A Universally Beneficial Economic Ethic: The Buddhist Perspective

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## Aim:

This paper's attention is mainly focused on the following:

- a) How concerned Buddhism is about the economic problems of its followers.
- b) What is its attitude with regard to the relation between its followers' economic condition and their practice of the path?
- c) Does it present any kind of economic ethic and a related work ethic?
- d) If it presents, how relevant are those principles of economic ethic for the modern society?

## Preliminary remarks:

The early history of Buddhism, as recorded in the canonical texts, shows that it started as a limited movement of renouncers.<sup>1</sup> These renouncers adopted an itinerant way of life, totally aloof from all secular commitments, with minimum needs, completely devoted to the practice of the noble life (Brahmacāriya) for the purpose fully putting an end to suffering (dukkha). The Buddha himself, being personally convinced of the necessity and the effectiveness of such a life for the attainment of the intended goal, and encouraged the early converts to follow the life of renunciation. In this type of life, the economic condition of the renouncers was of no concern. These renouncers were content with obtaining the bare requisites of food, clothing, lodging, and medicine.

However, it did not remain a limited movement of renouncers for long. There were many reasons for this, such as the charisma of the Buddha, novelty of some of his teachings, etc. Another reason, not often emphasized by the researchers, is the lay relatives of the early converts who generally belonged to the higher strata of the society, should be considered. This is seen by the family connection of the first fifty-four converts beginning with Yāsa.<sup>2</sup> Afterwards, the conversion of the highly respected three spiritual leaders of Uruvela namely, the three Jatila brothers, their former followers embraced Buddhism en masse. Among them were people of different strata of life, including the rich and the elite of the region. Wining the patronage of King Bimbisāra definitely must have contributed to the formation of a considerably large number of very important lay supporters.

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<sup>1</sup> *Vinaya*, I, 9 f.

<sup>2</sup> *Vinaya*, I, 15ff. These consisted the friends of Yāsa; subsequently the former follower of the three Jatila brothers, as well as the thirty Bhaddavaggiyas etc.

It did not take long for this change to take place. The lay relatives and friends of the renouncers naturally showed much concern about the well-being of the renouncers, and this led to some close understanding between the two segments: the renouncers and the laity. The Buddha too, naturally had to show concern to about this ever growing community of lay supporters.

The texts do not show that there was any important place in the practice of the path for these lay supporters. The noble path at this stage appears to have been for the renouncers, and there is no mention of any 'bi-path' meant for the lay. Perhaps the lay supporters were, more like admirers, appreciators and interested parties, with no fixed place assigned to them, in practice.

These are the circumstances that seem to have emboldened some lay members to present their problem to the Buddha. Many early suttas refer to people making requests to the Buddha to include them in his dispensation. The *Vyagghapajja Sutta* of the *Anguttara-nikāya*<sup>3</sup> is very clear on this. Therein, it is stated how the Koliyan called Dīghajānu comes to the Buddha with the request to make them participants of the teaching. He explains the plight of the laity who are committed to household life, married and with children, given to enjoyment of all kinds of household luxuries. His request, which certainly must have been a common request of such lay members, is for a teaching that leads them to happiness and well being in this life and life after.

The Buddha complied with the request. He advised that lay people who are interested in winning the two worlds, this and the next, by securing their happiness and well being - should initially follow four practices, two of which the Buddha himself described as 'accomplishments' (*sampadā*)

1. Accomplishment of striving (*utthāna sampadā*)
2. Accomplishment of protection (*ārakkha sampadā*)
3. Having good friendship (*kalyāna mittatā*)
4. Having a balanced life (*samajīvitā*)

Besides, the Buddha admonished him to practice also four other things namely, 1) charity (*cāga*) 2) faith (*saddhā*) 3) virtue (*sīla*) and finally (4) wisdom (*paññā*) the practice of which will ultimately lead to the final goal.

### **Economics and morals:**

In this, by the path enunciated by the Buddha at the request of the laity themselves, he laid much emphasis on economic stability. In many discourses, the Buddha clearly pointed out the close relation between economy and morals. One of the best known suttas that enunciates this close relation is the *Cakkavatti-sīhanāda Sutta* of the *Dīgha-nikāya*.<sup>4</sup> It very graphically describes how economic instability leading to poverty brings about chaotic conditions in a country, destroying moral life. In a very chilling description, the Sutta describes how, when economy utterly fails, morals get totally disrupted - turning human society in to a beastly society:

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<sup>3</sup> *Anguttaranikāya*, iv, 281 ff.

<sup>4</sup> *Dīghanikāya*, III, 65 ff.

“Monks, a time will come when the children of those people will have a life span of ten years. And with them, girls will be marriageable at five years old. And with them, these flavors will disappear: ghee, butter, sesame oil molasses and salt. And with them, the ten courses of moral conduct will completely disappear and ten causes of evil will prevail exceedingly... there will be no word for moral... no account will be taken of mother or aunt, of mother's sister-in-law, of teacher's wife...all will be promiscuous as the world like goats and sheep, fowl and pigs, dogs and Jackals. Among them fierce enmity will prevail... mother against the child, child against the mother... brother against the sister, just as the hunter feels hatred for the beast he stalks... There will come to be a sword interval of seven days during which they will mistake one another for wild beast...”<sup>5</sup>

The Kūtadanta Sutta<sup>6</sup> also describes how economic inability causes unrest and upheaval among the members of the society leading to utter chaos in the country, making life unsafe and personal property unsecured. The Buddha in his discourses to the laity clearly says that for the pleasure enjoying householders (Gihī-kāma-bhogī) poverty is a great cause of misery.<sup>7</sup> The Buddha very rightly observed that such poverty will affect more the pleasure enjoying laity with fuller commitments to household affairs than those religiously inclined ones, clad in white (Gihī-odātavasāno). Dīghajānu, the Koliyan was one such pleasure enjoying householder who wanted advice from the Buddha.

### **Buddha's view on work ethic:**

To such householders the Buddha presented a very dynamic work ethic. His advice was to strive hard to overcome poverty. For this, one has to abandon laziness. Laziness is one of the biggest obstacles that stands in the way of poverty alleviation. Therefore, with the abandoning of laziness, one should strive hard to accomplish one's economic targets. This is the first principle enunciated in the 'bi-path' to happiness and well-being 'here and here after' as given in the Vyagghapajja Sutta: *utthāna-sampadā*. Further elaborating this, texts describe how one should make a living with effort, toiling hard with one's own hands wetting the whole body with sweat.<sup>8</sup> Though this is concerned with physical labor, the advice is meant to cover all means of livelihoods that householders, those who desire the well-being and happiness of this world and the next world, adopt - to make a greater living.

However, this advice contains another extremely two important conditions. These are that livelihood should be righteous, and whatever is earned through such livelihood should be earned righteously. This advice is morally very sound and well founded. Even a righteous profession could be put into misuse. The Buddha foresaw this and laid down this condition fundamental to the Buddhist work-ethic. Thus, Buddhist work-ethics not only lay down the principle that: one should be sincerely

<sup>5</sup> Maurice Walshe, *The Long Discourse of the Buddha*, Buddhist Publication Society, Kandy, Sri Lanka, 1995, pp 402-403.

<sup>6</sup> *Dīghanikāya*, I, 127 ff.

<sup>7</sup> *Anguttaranikāya*, III, 351-354

<sup>8</sup> *Anguttaranikāya*, II, 67ff, III, pp. 45, 76 etc.

committed to one's profession, but this profession should be a righteous one, and such righteous professions should never be abused. Whatever the righteous profession is, medical, business, academic and so on - it should be carried out in the most righteous manner - without, in any way, exploiting others, defrauding others and causing loss and harm to others. The key term, used to denote righteousness is 'Dhamma', pregnant with heavy moral significance.

### **Economic Ethic:**

Related to this work-ethic is a well structured economic-ethic. Earning a living through righteous means and working hard to alleviate poverty, though good, is not sufficient to assure happiness and the well being of the people in this life and in the next. Hence, the importance of the second principle enunciated by the Buddha in the above cited Vyagghapajja Sutta, namely, "protection accomplishment" (*āraṅkha sampadā*). This is about the protection of righteously earned wealth. All striving and hard work will go down the drain if what is earned is not protected and properly managed. The Buddha in numerous discourses highlighted various avenues that cause loss of wealth (*bhoga-apāya-mukha*). Such loss of wealth may happen through sheer negligence and, hence with foresight, precautions should be taken to close such avenues namely, thievery, fire, flood etc. One should be even farsighted enough to avoid property being confiscated.

Other avenues causing loss of wealth might be opened through the unrestrained immoral behavior of people. A major contributory factor to this is evil friendship. Hence, the relevance of cultivation of good friendship (*kalyāna mittatā*), the third principle enunciated in the Vyagghapajja Sutta. The Sigālovāda Sutta<sup>9</sup> enumerates a number of such avenues, most of which are the results of evil friendship. Addiction to such vices as gambling, intoxicating drinks, women or even the habit of frequenting nightclubs, carnivals, bars, etc., are caused or encouraged through bad friendships.

Another aspect of economic-ethics is seen in the fourth principle, enumerating life (*samajīvitā*). The Buddha advocates the practice of a balanced life in order to maintain economic stability, and avoid falling into debt and consequent misery and downfall. In any economic venture, balancing of income and expenditure is of paramount importance. This is so in household life as well as in corporate management. One is advised to keep a sharp eye on the income and expenditure. The model cited is a seller who uses an unbalanced scale to weigh the goods (especially gold) he sells. Such an assessment will help to reduce over expenditure, minimize waste, and either close down or reorganize unproductive undertakings.

The general advice given to householders regarding the way to lead a balanced life is to avoid the two extremes: prodigality, which is compared to a wood-apple-glutton (*udumbarakhādika*)<sup>10</sup>, and one who dies of starvation (*ajjaddhumārika*).<sup>11</sup> This advice, when applied to large scale business ventures and corporate managements, clearly shows that, for the success of such ventures, on the hand, all wasteful

<sup>9</sup> *Dīghanikāya*, III, 183 f, see also "Parābhava Sutta" of the *Suttanipāta*

<sup>10</sup> This is a parable about a person who plucked a large number of wood apple fruits when he really needed only a few; the rest he threw away, *Anguttaranikāya*, IV, 283 f.

<sup>11</sup> This cites the case of a miserly person who behaves like a starveling even though he has enough wealth to sustain himself well (loc cit.)

extravagance should be cut off, and on the other, one should not be too stringent in financing productive operations.

In Buddhist economic-ethics, the careful and organized handling of finances is emphasized. In fact, the Sigālovāda Sutta presents a very practical economic formula to manage the household economy. The general meaning of the formula is that one should use one part of his rightly earned income to manage his day-to-day affairs, two parts should be profitably invested, and the fourth part should be safe-deposited - utilized only in times of need. There are different interpretation regarding the division of wealth into four portions as to whether all four portions should be equal and so on. A more practical interpretation is that the proportioning can or more precisely, should vary depending on the income and other related circumstances. In this formula, there is more significance than what one's eyes meet. Naturally the portion set aside for day to day expenses has to be considerably larger than the other portions, for there are many duties and obligation to be performed utilizing the wealth included in that portion. The commentary gives details about such duties and obligations that include even charitable work and payment of salaries for servants, etc. Besides, as many other suttas show, it is this portion that one has to utilize in maintaining oneself, family-members, relatives, performing religious duties, and so on. The Pattakamma Sutta of the *Anguttara-nikāya*<sup>12</sup> mentions five specific duties a householder has to perform, utilizing money allocated for daily expenses.

However, when considering this principle in Buddhist economic-ethics what appears very striking is the fact that it underscores the importance of the fact that expenditure should be well planned and that some portion of it should be saved or invested. Thus, the crux of the ethic is that all one's earning should not be spent.

### **Employer-employee relations:**

All economic development is dependent on fruitful utilization of labor, and this depends on good employer-employee relations. Buddhist economic ethic deals with this aspect in detail. Buddhism recognizes dignity of labor. Its contractive criticism of the prevailing caste-based division of labor clearly indicates Buddhism never advocates position or profession fixes social-status and privileges. Instead, as it is clearly stated in the Vasala Sutta<sup>13</sup>, that Buddhism presents new ethical-criterion to decide social status<sup>14</sup>. This shows how futuristic the Buddha's vision has been on this issue.

The Sigālovāda Sutta lays down ways the employers and employees should adopt in their mutual dealings. This enables the two segments to maintain their functional differences but develop harmonious relations that greatly contribute to enhance mutual understanding, trust, and consequently increase output and production. The Buddhist position is that the employer should be virtuous and humanitarian in his attitudes. The commentary to the Sutta gives interesting details regarding how the employers should deal with employees. It says that an employer should be careful in assigning work to employees. Work should be assigned according to the age and physical-state of

<sup>12</sup> *Anguttaranikāya*, II, p 67.

<sup>13</sup> *Suttanipāta*, p 136. "Na jaccā vasalo hoti na jaccā hoti brāhmano-kammanā vasalo hoti kammanā hoti brāhmano".

<sup>14</sup> Editor's Note: this Vasala Sutta pertains to what makes a person an outcaste from society. Conversely, these criteria can be re-presented to show how a person should fit into society.

particular country. This cannot be done in an ad hoc manner; for such remedies are bound to fail as demonstrated in the Cakkavattisihanāda Sutta.

This Buddhist economic-ethic is well brought out by the following words put in the mouth of the chaplain who dissuades the ruler who is bent on wasteful extravagance at a time when the country is in economic turmoil: *“Your Majesty’s country is beset by thieves, It is ravaged, villages and towns are being destroyed, the countryside is infested with brigands”*. Warning the ruler who, not sensing the pulse of the people and desiring to engage in wasteful extravagances, the chaplain pleads:

*“With this plan you can completely eliminate this plague. To those in the kingdom who are engaged in cultivating crops, raising cattle, let your Majesty distribute grain and fodder; to those in trade, give capital; to those in government service assign proper living wages. Then those people, being intent in their occupations will not harm the kingdom.”<sup>17</sup>*

Peace and harmony will prevail in a country where there is good governance implementing this kind of Buddhist economic-ethic. Economic condition will gradually stabilize and everyone will feel assurance of their future security. All forces of corruption and disruptions naturally subside, for people would realize this - better times are bound to come. They will not have to fear for their lives and private property. This will provide a congenial living condition to be happy in the present and work for one’s well-being in an after life.

### **Conclusion:**

The modern world is full of conflicts. Though these conflicts take different shapes and forms in their manifestations, generally their roots could be traced to economic causes. The misdistribution of national wealth; continuously widening the gap between the rich and poor; and escalating prices of goods - causes more than enough suffering. The consumeristic economy enthusiastically and vigorously marketed by multinational business conglomerates, using all types of media - has become cancerous to all societies, the world over. Though most people are aware of the causes that make them suffer, they are unable to disentangle themselves from the octopus-like consumeristic economic-stranglehold. The spread of this consumeristic economy is openly backed by its strongest ally - globalization.

All these show that the world is in dire need of universally-beneficial economic-ethics - if not to root out secular suffering, then at least to minimize it. Such an economic-ethic is needed to drive sanity into the people - those unable to distinguish between their needs and wants. Thus, economic-ethics should address all parties involved: the government, the public and the private sectors, and even the people in general - to guide and enlighten everyone on these issues and convince them of the need to constructively participate and contribute to problem-solving - which, as pointed out before, are rooted in economic causes. To complicate the issue, all of these parties will have to contribute in varying degrees.

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<sup>17</sup> *Dīghanikāya*, III, 127 ff.; Maurice Walshe, op. cit. p135.

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A Buddhist analysis of this problem does not accuse any single party of any economic problem occurring or those that have been caused. It attempts to analyze the problem to make all parties understand and awaken them to the fact that each party has an important role to play in solving problems; hence, its comprehensive economic-ethic and detailed responsibilities transfer each party to the problems. This makes Buddhist economic-ethics, which is beneficial to all – as universally applicable.