

## Buddhism and Economics (©2017-2020)

### Lecture #5: *Buddhist Economics in a Nutshell*

In this lecture (5<sup>th</sup> lecture), we shall discuss the gist of Buddhist economic ideas that forms the foundation of Buddhist economics. As we have alluded here and there, while it is easy to use the term *Buddhist economics*, it would be more than necessarily helpful to remember that we use that term and the title of our course *Buddhism and economics* interchangeably. Please always keep this point in your mind.

#### **Preliminary consideration:**

Buddhism was originally a spiritual way of life, not an institution

Buddhism has developed ever since the time of the Buddha and travelled across different cultures and traditions

Buddhism originated in ancient India more than two thousand and five hundred years ago so there is a long period of time gap between ancient world and modern world

Buddhism as a religious organization, with its *Sangha*, or *community*, suggests that it needs to interact with society

Buddhist monastic ideals are very different from that of social realities, yet it is also true that a minimum interaction and some necessary accommodation between monastic community and outside world – society – was essential from the early stage of Buddhism

Buddhist teaching contains all the wisdom that directly related to the society; for instance, people would consult the Buddha for advice or on many occasions the Buddha would offer his advices to ordinary people as the situation required

**Three Buddhist principles related to economic issues: the following pages are important, please pay attention when you are reading the textbook; (Clair Brown, textbook, pp means pages = pp)**

Interdependence of self/ego and selfishness (pp.8-9)

Interdependence of human beings and nature (pp.9-10)

Interdependence of people with each other (pp.10-11)

Happiness and individual behaviour (pp.11-17)

**Thomas Carlyle (1795-1881):** Scottish intellectual, best known as a historian and essayist; he used the term “*dismal science*” (p.11) to criticize the inability of economics to solve social issues that supposed to be the purpose of economics – finding the universal rule of supply and demand;

**Hedonic happiness:** *hedonism*, derived from ancient Greek, *hedone*, or “pleasure”, which suggests the philosophical view or attitude that pursues pleasure and avoids pain (in particular material and sensual aspects of pleasure); in economic terms, it can be understood as the basic drive of market economics where people are incentivized to maximize what they want and like and minimize what they dislike and they do not want; (Clair Brown, textbook, pp.12-13)

#### **Happiness:**

**Material satisfaction:** money cannot make many things possible and there might be well the case that there are things money cannot buy but it may be also obviously true that not many things can be done without money;

For instance, in the movie *Psycho*, a rich person said this to his friend: *let's not buy happiness with money; let's buy off unhappiness*; in a French proverb, it says that: *amour peut moult, argent peut tout*, which means: *love may do fine but money can do more*; here, it might be remembered that although Buddhist teaching is old wisdom that may transcend space and time, the social reality is the basis that the ancient wisdom may or may not be applicable. We need to take a balance approach to both Buddhism and economic issues.

***Spiritual contentedness***: enjoy what we have materially, and try to make a living and improve our material aspect of life by decent means but focus more on the spiritual aspect of our life, which is enduring and constant; altruism and generosity should not be pure talks. Action and ability to act matter too. Former British prime minister Margaret Thatcher once remarked: *No one would remember the Good Samaritan if he'd only had good intentions – he had money as well.*

**Self-interested/regarding and other-interested/regarding (see Clair Brown, textbook, pp.15-16)**

*The Theory of Moral Sentiments* (Adam Smith, 1759)

Sympathetic feeling or empathy – possibility of human altruism towards fellow human beings or even sentient beings; so on the one hand, the father of modern economics discovered that sympathies are human nature; while on the other hand, he also observed that in terms of individual behaviour in economic matters, self-interest would take over as the second and more important human nature; so again here we need a balance between self-regards and regards of the others; of course self-interestedness and selfishness are different; self-interest treats oneself as the first priority and then others, while selfish means only oneself and egoistic without consideration of others whatsoever;

***Suggested readings:***

During the first few lectures, the textbook readings are very short. And because we are new to the other half of our subject – *economics*, we have suggested that you read more of the reference book, *A Little History of Economics* by Niall Kashtainy. Many important ideas of economics are discussed in that little book in such as succinct and witty fashion that the book read like a novel.

So please continue to read the reference book as much as you can, but at least by now you should have finished the first five chapters and the other recommended chapters. It would be preferable to read the whole book if you can in a short time. Afterwards, when you are familiar with the book, you can always choose the interested chapters to read separately.

With regarding to the textbook, this week you should read in detail – word by word – the second chapter (7-23). The important ideas of the chapters are discussed in the PPTs so you may read the book with those slides, and those lecture notes.