

# A New Economics to Save the Earth: A Buddhist Perspective

By Inoue Shin'ichi

## *Is Modernity an Age of Reason?*

In high school, most Japanese learn that Descartes' (1596-1650) "I think, therefore I am" crystallizes the Western ideal of the thinking subject (Reason). This ideal of Reason was most clearly symbolized in the West in the form of the "Goddess of Reason," depicted in Thomas Carlyle's *The French Revolution* being paraded down the streets during the French Revolution. The elevation of Reason as a virtual deity signalled the shift in European value systems from the Christian God to Reason, a shift that simultaneously reflected a trend toward egocentricism.

The Asian, or Buddhist, ideal — in contrast — has traditionally been one of "wisdom." Rather than the reasoning ego acquiring and employing "knowledge" of science or collecting mundane information for its own purposes, Buddhist "wisdom" involves not only learning and memorizing Buddhist scriptures, but seeing correctly into the nature of oneself and the world and thereby actualizing a moral life.

With these ideals in the background, the West and Buddhism developed rather different ideas on money and the economy. In the West, money has been viewed from one of two extremes. On the one hand, based on egocentric greed, there has been a tradition of uninhibited pursuit of money. But on the other hand, an extremely negative evaluation of money-making appears in such texts as Shakespeare's *The Merchant of Venice*, where money lending and money itself is viewed as shady and with suspicion. Buddhism, which is sometimes referred to as the "Middle Way," disavows extremes and advocates a moderate view of materialism that allows for basic economic subsistence, but at the same time prohibits materialistic indulgences. The goal in a Buddhist approach to economics is,

therefore, to provide for the basic comfort of all beings, not just oneself.

But this economic goal of creating wealth for both oneself and for others is, in fact, part of a long tradition in economic theory. Adam Smith (1723-90) himself, the so-called father of modern economics, developed an economics coupled with morality. We often have an image of Smith, through his book *The Wealth of Nations*, advocating a *laissez-faire* economics unhampered by morality. His book, believed by many to be the Bible of economics, also contains the popular axiom that as each economic player, whether as individuals or as companies, acts for his or her own self-interest, wealth will naturally increase and society as a whole will prosper. Though at first his theory seems to be simply an economics of egocentric desires, in fact, Smith's earlier work *The Theory of Moral Sentiments* connects self-interest with morality. For him, morality comes not from God, but from "reason" and "conscience".

Although Smith sought to conjoin morality and economic activity, he knew that being materially comfortable — which for him included good health and freedom from all debts and bad consciences — necessarily involved competition. He was also aware of a disadvantage of competition in that people, when caught in the endless fervor of competition, can become warped and miserable as their aim shifts from affluence to the pursuit of more profit, or simply to competition for competition's sake. For example, towards the end of Smith's lifetime when the Industrial Revolution was getting going, landlords drove peasants off the land pushing them to the cities where, instead of finding good health and freedom from all debts and worries, the workers found themselves struggling to eke out an existence amidst the heightening competition.

But Smith believed that this "myth of competition" was crucial to economic growth. He truly believed that as more wealth was created in an economy, more and more people would be able to secure happiness. This "myth of competition," though, has fortunately been questioned by Smith's successors starting with J.S. Mills (1806-73), Alfred Marshall (1842-1924), on down to J.M. Keynes (1883-1946) all of whom have emphasized the tradition of connecting economic activity with morality.

The British economist Joan Robinson (1903-83) once said that the purpose of studying economics is to learn how not to be fooled by the myths of economics. We ought to take up her challenge to reevaluate our basic approach to economics as we stand at the pinnacle of the new millennium. The greatest challenge we face as a human race today is the environmental crisis that has been, in no small part, engendered by our previous economic activity. We have increasingly come to see that if developing nations grow in the same fashion as the so-called first-world nations, the world's environment will be completely destroyed. Further, if people in the industrialized countries continue their culture of consumption, the result will be the same. Although we have, since the late 19th century, relied on science and technology to deal with problems such as the environmental one, is it not the case, as E.F. Schumacher suggests in his *Small is Beautiful*, that the fundamental problem is a moral one, a question of how to reduce our seemingly uncontrollable appetite for consumption? How might we build a sustainable economics, a zero-emissions society?

## *Capitalism Made in Japan: A Buddhist Approach to Economics*

As a Japanese, to answer the above questions, it is appropriate to reflect on

moral and philosophical resources from the ancient tradition of Buddhism to develop a new economics, a new capitalism. In thinking about the Buddhist approach to economics, though, we have to start in India with the historical Buddha, formally known as Shakyamuni Buddha. Shakyamuni was born Siddhartha Gautama, a prince who left his exalted status in life to pursue the spiritual path because he was troubled by the existence of human suffering. Along the way, he met other spiritual seekers and ascetics, who led him to engage in extended periods of austerities, such as fasting. One day, when he had reached the point of complete emancipation, he realized the futility of these austerities and accepted some milk from a village girl, and thus began to regain his strength. Although his fellow seekers thought he had been corrupted and had given up, the now stronger Buddha made a vow to sit in meditation under a bodhi tree until he attained Enlightenment. When he finally achieved Enlightenment, he understood the causes of suffering and was able to free himself from his egoistic desires and delusions and attain a state of equanimity. The life story of the Buddha is itself a very valuable lesson as we ponder the theme of Buddhist economics. As mentioned above, Buddhism is sometimes called the "Middle Way" because the Buddha rejected the two extremes of asceticism and the indulgence of desire. Though he refused to be seduced by the material comforts of a royal life, he also realized the futility of asceticism and the denial of natural physical needs. Thus, he walked a fine line between materialism and denial of the world, and this middle way, or moderate standpoint, is fundamental to Buddhist economics. Though immediately after his death, the Buddha's disciples tended to be conservative and elitist (the Theravada tradition), as time went on, a more inclusive school called the Mahayana tradition, which emphasized the salvation of not only

monks but laypeople as well, developed.

This broader Mahayana tradition came to Japan in the form of Buddhist scriptures and teachers from mainland East Asia. One of the first proponents of Buddhism in Japan was Prince Shotoku (574-622). Considered the author of Japan's first constitution, his "Seventeen-Article Constitution," includes Buddhist ideas such as harmony and religious



The Great Buddha of Nara

Photo: The Mainichi Newspapers

tolerance (though particularly between Shinto and Buddhism) as well as caring for the welfare of all, including the poorest people in the nation.

Starting from this period, Buddhism came to rely heavily on the support of the merchant classes. Its teachings, having an ethical, but positive view of money-making, encouraged merchant support throughout the medieval period. By the Tokugawa era (1600-1868), Japan entered a period characterized by ever increasing levels of economic production and the widespread development of the monetary economy. The American Japanologist Edwin O. Reischauer (1910-90) describes this period as the one in

which Japan developed its own version of capitalism. Another student of this period, the sociologist Robert Bellah, has found parallels between the Weberian Protestant work ethic and capitalism and the rise of Japanese capitalism in this period.

One of the key figures in this capitalism, made in Japan, was a Buddhist monk Suzuki Shosan (1579-1655). He advocated that each man's work — regardless of what he does — is deeply worthwhile and is itself a pathway to Enlightenment. He is remembered for his words "Those who are engaged in economic activity must derive profit from their endeavors through working as if the work itself was spiritual practice." Suzuki encouraged merchants to reflect on their spiritual lives, to be honest in their dealings, and to develop the mind of a bodhisattva, a being who cares for and saves other beings. If his many merchant adherents sincerely persevered in such spiritual practices, he said, they would all be assured of a spiritual life and would also be financially rewarded — a view reminiscent of the Protestant work ethic. And just as a bodhisattva is a being free from all attachments, he encouraged merchants to freely engage in economic activity without regard to class or borders, perhaps an important lesson for us as we enter an ever increasing global economy. Like Smith, Suzuki must have believed that if individual merchants conducted their business with moral principles, the society as a whole would benefit from it.

Another important figure in the development of Japanese capitalism was Rennyo (1415-99), the "second founder" of the Jodo Shinshu sect of Pure Land Buddhism. He is said to have given merchants the advice: "When engaged in business, do it as the work of the Buddha." This advice was followed by merchants across Japan, but particularly in the Ohmi (Shiga) and Osaka regions, where Rennyo's teachings had a strong influence. Even today, firms that started

in that area, such as Itochu, one of the top Japanese trading companies, have prospered by adopting this philosophical approach in their business dealings.

### *The Zero-Emissions Society of the Tokugawa Period*

As mentioned above, Japanese capitalism began in the Tokugawa period. But the capitalism of that period was, unlike today, characterized by both economic and environmental sustainability despite requiring the basic capital and natural resources necessary for a growing economy. Though it would be natural to think that a resource-poor nation like Japan requires a sustainable, zero-emissions society, in the modern period, Japan has adopted a mass production model that creates tremendous waste. We might therefore look back upon the Tokugawa period for clues on how to build a zero-emissions society in the future.

The Tokugawa period was headed by the Tokugawa shogunate based in the capital city of Edo (present-day Tokyo). The shogunate, or the military government, feared the growing influence of the Western powers in their region as they saw one Asian country after another being colonized both politically by Spain, Portugal, and other Western powers and spiritually by Christian missionaries. Thus the government instituted a "closed-country policy" restricting foreign trade to the Dutch and only through the single port city of Nagasaki. Within the context of this rather insular society, the capital city of Edo was the focal point for the expansion of the domestic economy as the government instituted a policy which required the regional governors to move back and forth between the capital and the provinces. Thus began the ever increasing movement of personnel, goods, money, and the economy more generally.

Though agriculture was, at that time, still the center of economic life, the sustainable model of economics developed in the capital city of Edo, which was one of the world's most populated cities at that time, spread as the provinces became increasingly

interconnected. The zero-emissions economy developed as the following policies and customs took root: 1) Human waste from household toilets was collected periodically and sold to farmers from the outlying regions who used it for fertilizer. The payment was often made in the form of vegetable produce and this practice continued until World War II; 2) Well water was the primary form of water usage and was efficiently distributed using wooden pipes; 3) While most garbage was incinerated by the city, much of the resulting ash was recycled as fertilizer for household use; 4) To make products last longer, a wide array of businesses, (from tobacco utensils to large furniture) centering on the repair of products, developed; 5) Waste water was not directed to the river, but treated naturally by letting it seep into the ground. These practices from the Edo period continued in modern Japan through such entrepreneurs as Nishihara Shuzo, who headed a research institute (Nishihara Eisei Kenkyujo, founded in 1916) that developed recycling techniques to turn raw sewage from major urban centers into fertilizer.

At the base of all of these principles of a sustainable economy is the idea of "mottainai." This word in Japanese includes both the meaning of being in awe of nature as well as being thankful for its blessings which gives rise to the concept of "not wasting." These ideas have their root in the Buddhist teaching that all beings, and even inanimate objects, have life and Buddha-nature.

### *The Essence of Buddhist Economics*

It is generally well known that economics as a field of study includes the approaches of both natural science and the humanities. However, mainstream economics, as symbolized in Nobel Economics Prize winners for example, has tended to be heavily dominated by the Anglo-American quantitative, econometric paradigm. While more humanistic approaches have been offered by such Nobel Prize winners as Gunnar Myrdal and Friedrich von Hayek, they have not been in the mainstream. However, an economics which focuses almost exclusively on quantitative

analysis cannot possibly reveal a way for us to develop a more sustainable culture. Buddhist economics, therefore, must emphasize the human element in the economic equation. By learning from the vicissitudes of the human heart, we might be able to develop a new economics that can save the Earth.

Several key ideas form the basis of Buddhist economics. The first is the idea that in economics one can "benefit oneself and others" simultaneously. Though the phrase "benefiting oneself and others" comes from Shinran (1173-1263), the founder of the Jodo Shinshu sect of Pure Land Buddhism, the notion of self-gain occurring simultaneously with the benefit of others is a broader Buddhist doctrine. For example, the medieval Zen master Dogen (1200-53) wrote "In accomplishing the Way, there is no distinction between self and other." Here Dogen is talking about Buddhist practice, but if we think about economics through his words, can we not envision an economics in which profit is not exclusively a personal matter, but a collective one that doesn't distinguish between self and other? This idea of collective or mutually-benefiting economics was something E.F. Schumacher picked up in his days in Myanmar and wrote about in the chapter "Buddhist Economics" in his best-seller *Small is Beautiful*.

However, can such a concept really function in a capitalist society? One good example of someone who used this idea and made it work is none other than Henry Ford (1863-1947), the "king of the automobile industry." A typical capitalist of his age, Ford recognized that pure self-interest in automobile production would involve hiring labor as cheaply as possible and selling the products as expensively as possible. However, despite the business ethic common at the time, he went one step further and realized that everyone — from worker to customer to society — could profit if he paid workers high enough wages so that they themselves could afford to buy automobiles, at the same time keeping the costs of the cars down through mass production. In line with Walt Rostow's concept of "mass

consumption," Ford's approach to economics did provide a mutually-beneficially economics for his time.

A Japanese example would be Yoshida Tadao (b. 1908), the founder of YKK, well known for its production of fasteners and zippers. He was famous in industry circles as a diligent and thrifty businessman, and earned a reputation for directing most of his profits toward making innovations in the design of his products and simultaneously making them more affordable. He called this flow of capital "the circulation of good works" and made his commitment to quality and affordability a fundamental company policy. Eventually, his company became the leading fastener-maker, with a worldwide reputation.

The second key idea in Buddhist economics is "an economics of tolerance and peace." One distinguishing feature of Buddhism as a religion is that it has never engaged in a religious war. This emphasis on peace is based on the first ethical precept of Buddhism: Do not kill. While other religions have similar ethical principles, Buddhism appears to be the only one to have actually put into practice the precept of *ahimsa* (or non-harming), made famous by Gandhi's non-violence movement.

One example of this economics of peace can be seen in India in the third century B.C., during the reign of Ashoka, the third emperor of the Mauryan dynasty that unified the land. The misery and suffering brought upon all those who fought in the wars of unification caused the emperor to reevaluate the idea of conquest by the sword. Drawn increasingly toward Buddhist beliefs, he felt that in order to govern he needed to publicly atone for all the killing accumulated during the wars, though in a religiously tolerant way. He embarked on the experiment of creating a peaceful nation by first creating the conditions necessary for domestic stability. Because Ashoka believed that poverty eroded the social fabric, one of his first acts was to fund social welfare and other public projects, such as road construction.

In Japan, this sentiment toward an economics of peace has been expressed



"Fifty-three Stages of the Tokaido" by Utagawa Hiroshige

Photo: Tokyo National Museum

most forcefully by an eminent Buddhist scholar who has stated that as a Buddhist country, Japan should not engage in trade with countries that produce and sell weapons of war. Though this perspective is surely a minority one, the tradition of a Buddhist approach to peace has a long history in Japan. For example, in 792, despite constant threats from the Korean Peninsula, Emperor Kammu (r.781-806) abolished the hundred-year-old national army based on Buddhist principles, except for one regiment to guard the region near Korea. In its stead, the sons of local clan leaders maintained local security forces somewhat similar to the present-day police. In addition, from the beginning of the ninth century, the death penalty was abolished for nearly three and a half centuries, and Japan was effectively without an army until the emergence of the new warrior class before the Kamakura shogunate (1192-1333). Although Mahatma Gandhi often talked about the creation of a peace-keeping force (Shanti Seva), an early prototype could be seen in Japan a thousand years earlier.

#### *An Economics that Respects the Environment*

At the end of each year, *Time* magazine selects a "Man of the Year" to feature in

a special edition. In 1989, however, the magazine broke with tradition and instead selected Earth as the "Planet of the Year." In this issue were numerous articles highlighting ways to improve international cooperation on the environmental crisis. Among the articles, there was an article, remarkable to me, which quoted a U.S. senator suggesting that Christianity had played no small role in abusing the Earth through its anthropocentric teachings of domination over other creatures. Certainly if we look at the Bible, we find passages such as Genesis 1:27-28: "So God created man in his own image, in the image of God created he him; male and female created he them. And God blessed them, and God said unto them, 'Be fruitful, and multiply, and replenish the Earth and subdue it; and have dominion over the fish of the sea, and over the fowl of the air, and over every living thing that moveth upon the Earth.'" Therefore, we ought not to be too surprised that some people have interpreted passages such as this one literally, and see them as giving divine sanction to dominate the Earth for the benefit of human beings in as much as they are superior to all other creatures on earth.

In contrast, Buddhist sacred texts are much more humble, as revealed in

phrases such as: *Issai shujo bussho ari, somoku kokudo mina jobutsu*, meaning that plants, trees, and sentient beings, and even non-sentient beings, are equally bound up in the nature of the Buddha or cosmic life itself. For example, the Great Buddha in the ancient temple of Todaiji in Nara is depicted sitting on a large lotus flower. If you inspect the petals of the flower closely, you will see that they are covered with small Buddha images, implying that the Great

Buddha (or the cosmos) includes all the small buddhas (such as human beings and other living things) in its vastness. In other words, humans and other living creatures coexist to maintain the cosmos, and the cosmos in turn supports them.

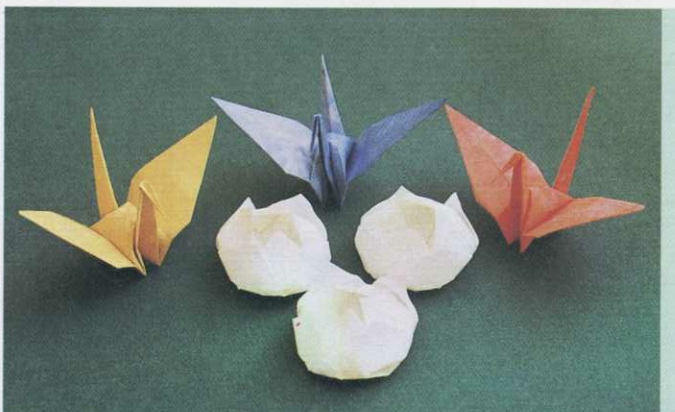
In the Buddhist view, human beings, rather than being masters of the Earth, simply make up one tiny element in a vast cosmos. Though the culture of the 20th century has been characterized by the destruction of the environment to fulfill human greed, in the 21st century, we will have to regret what we have done to the Earth and respect the bounty that it provides for us.

These three key ideas of Buddhist economics — “an economics to benefit both self and other,” “an economics of peace,” and “an economics to save the Earth” — form the foundations for a sustainable society for the new millennium.

### Work, Play, and Consumption

The Western attitude toward work can perhaps be summed up by the phrase “work is pain,” or to use the words of the popular Buddhist commentator Hiro Sachiya, “work is punishment.” The Genesis account of Adam and Eve being driven out of the Garden of Eden and made to work by God epitomizes the notion that an ideal world is a world without work.

In contrast, the Buddhist view of work, far from being punishment, is an integral part of Buddhist life. The Buddha recognized this by highlighting



Origami — cranes and lotus flowers

“livelihood” as one of the components of his eightfold path of practice. The Buddhist scriptures also use the phrase “playful samadhi” or a liberative, joyous meditation to describe the way in which a Buddhist practitioner works. In other words, work and play are not two separate spheres, as in the West, but are intertwined in an unbroken thread. In Japan, for instance, even the busiest of people — such as the emperor himself — will find time to compose *waka* poems or engage in agricultural harvest festivals. A popular children’s activity like *origami*, which involves folding birds or flowers out of paper, is also enjoyed not only by children but by adults as well. This is the culture of work and play interwoven into a single fabric.

But the Western view of work has spread throughout the world and has been responsible for the idea of working to consume more and more things or, as Rostow suggests, an ideal of a mass consumption society. But this shift to a mass production and mass consumption society has worried people like Ragnar Nurkse (1907-59) who have feared the effects of such a culture and the exponential growth it presumes on the predominantly agricultural nations of Buddhist Asia. Schumacher, too, had his worries about how the cultural fabric might be broken if Buddhists lost their positive view of work and exchanged it for a view of work as hardship or burden. Work, he suggests, must lead to the kind of consumption, not of the mass consumption variety, that can ensure the

happiness of others in the community. This approach to work and consumption is based on consideration for others, including nature, and can be the basis of a stable and sustainable economy, rather than one that has quick growth spurts and destroys the environment in the process.

### An Economics of Simplicity

There is a phrase in the medieval Zen master Dogen’s writings: *shoyoku chisoku*, to lessen desires and knowing it’s enough. In the West, the general orientation has been to attain happiness by increasing wealth so that one can get *more* of what one desires. In contrast, Buddhism emphasizes the happiness that comes from being detached from desires, i.e., happiness is increased by *reducing* our desires.

In the Tokugawa period when Japanese capitalism began to flourish, as money began to circulate in ever larger amounts, there were those who flaunted their wealth with lavish gold accessories or flashy clothes. As economies develop, displaying wealth and grandeur seems to come as part of the package. However, not only are there social and environmental consequences of excessive consumption, but Buddhism suggests that true happiness cannot come without reducing these desires to gain more wealth and display it. Thus Buddhist economics is an economics of simplicity. Just as an impressively large gas-guzzling limo symbolizes excess, surely what we really need is a simpler and smaller, more fuel-efficient and non-polluting vehicle that can drive us to a more sustainable and brighter future. **JUT**

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