

# **Buddhist Economic Philosophy and Modern Economic Concepts: An Enlightened Study to Dismal Science Approach**

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## **Introduction**

Most economic scholars and intellectuals bear the erroneous misconception that Buddhism is a philosophy disheartening economic development relating to ordinary life. Because majority accepts Buddhism as a religious teaching only guides people towards the spiritual development. Consequently, some scholars consider Buddhism as a ground to the least developed level of most of the Asian Buddhist countries. However, the Lord Buddha points out two groups in Buddhist society as monks and ordinary people. Buddhist teachings initially offer separate guidance to both groups in order to achieve their intentions. Therefore, this study focuses on providing a clear view of the Buddhist Economic philosophy that resembles with modern economic concepts. Furthermore, the guidance provided to lead a successful economy by adopting Buddhist Economic philosophy is also emphasized in this study. Chakkawatti Seehanada, Karaneeya Metta, Maha Managala sutras and other relevant incidents explained by the Lord Buddha are discussed in comparison to the modern economic context. This religious philosophy includes concepts of consumption, savings, investment, trade, entrepreneurship, employer- employee relationship, subsidies and tax principles etc.

The keynote of Buddhist Economics, therefore, is simplicity and non-violence. From an economist's point of view, the marvel of the Buddhist way of life is the utter rationality of its pattern – amazingly small means leading to extra-ordinary satisfactory results. (Schumacher, 1975). Buddhism initially guides towards spiritual wellbeing of people and admonishes to engage in good deeds which may have better results in the future. Hence, its prescriptions on choice of employment is distinct from those easy means of money making in an illegal manner. Instead of such methods, this philosophy instructs to employ oneself in a better employment which does not inflicting pain on any group in the society because Buddhism thoroughly believes in after effects of both good and bad deeds.

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Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given, and transmitted from the past. (Marx,1867). This study suggests that the responsible authorities should make a country specific development methodology influenced by Buddhist Economic teachings.

### **Research Objective**

The objectives of this paper aim at identifying key economic concepts explained in Buddhism in relation to modern economic concepts in order to shed light on the individuals who bear the misconception that Buddhist teachings are unbalanced and inclined only towards spiritual development. Therefore, this study aims at emphasizing the contribution of Buddhist Economic Philosophy for the success of ordinary lay life.

### **Research Methodology**

Qualitative research method has been adopted to carry out this research. Key economic concepts in modern economics have been identified with reference to Buddhist Economic principles explained in old Buddhist teachings found in secondary data resources such as approachable and applicable books, magazines and journal articles.

### **Results and Research Discussion**

Development of modern economics started during the time of Adam Smith who is considered as the father of Economics. After a keen observation on the prevailing society in England which was a dictatorship reign, he introduced the laissez- faire policy as a prelude. Laissez- faire policy recommends a liberal economic approach where the role of the government is limited to establish law and order, continue foreign affairs and shield people from enemy attacks. Similarly, Buddhism mentions three functions of state such as establish law and order, protect environment and shield people from enemy attacks.

Modern function of disposable income consists of consumption and savings. Investment depends on the level of savings and various consumption purposes decide the amount of money an individual may keep with him to cover his expenses. Thus the demand for money comes as transaction demand, precautionary demand and speculative demand. Buddhism suggests to

divide one's income into four sections and use them rationally in consumption, savings and two sections in investment which offers profits in future.

At present rights of employer and employee are not equal and they claim unequal rights in bargain which makes employee feeble. Industrial Disputes Act No 43 of 1953, Shop and Office Employment Ordinance and Employees Trust Fund have been introduced under industrial law related to industrial Economics. Whereas Buddhist philosophy admonished employer-employee relationship codes around 2600 years ago and it assures the fact that Buddhist Economic philosophy is applicable even in current context.

The grounds for robbery and conflicts have been stated as the ultimate poverty and the role of king as the supreme head of the state is recommended to facilitate subsidies, establish a simple and fair tax policy which is one of the current tax principles in Buddhist Economics.

In the continuance of the development concept, sustainable development concept evolved very recently in modern economics. Sustainable development is to achieve development by utilising resources without compromising the needs of the future generation. This concept is seen in Buddhist monks' wise use of resources and the commitment to keep a clean environment.

### **Research Conclusion and Recommendation**

Most of the Europeans consider Buddhism as a spirituality biased philosophy that discourages the ordinary lay life of people. Specially, Economics focusing on profit maximization is believed to be ignored by this philosophy. But the teachings of Lord Buddha also instruct for the betterment of people's economic behaviour as well. Especially developing Asian countries can consider Buddhist Economic principles in implementing their development agendas.

**Keywords:** Buddhism, philosophy, economics, principles, consumption

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