

Buddhist Economics

A Middle Way for the Market Place

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Chapter Two

The Buddhist View of Human Nature

According to the teachings of Buddhism, human beings are born in a state of ignorance. Ignorance is lack of knowledge, and it is this lack of knowledge that causes problems in life. That human beings are born with ignorance, and are troubled by it right from birth, is obvious when observing the plight of a newborn baby, who cannot talk, look for food or even feed itself.

Ignorance is a real limitation in life; it is a burden, a problem. In Buddhism this burden is called dukkha or suffering. Because human beings are born with ignorance, they do not really know how to conduct their lives. Without the guidance of knowledge or wisdom, they simply follow their desires, struggling at the directives of craving to stay alive in a hostile world. In Buddhism this blind craving is called tanha.

Tanha means craving, ambition, restlessness, or thirst. It arises dependent on feeling and is rooted in ignorance. Whenever a sensation of any kind is experienced, be it pleasing or displeasing – such as a beautiful or ugly sight, or a pleasant or unpleasant sound – it is followed by a feeling, either pleasant, unpleasant or neutral. Tanha arises in correspondence with the feeling: if the feeling is pleasant, there will be a desire to hold onto it; if the feeling is unpleasant, there will be a desire to escape from or destroy it; if the feeling is neutral, there will be a subtle kind of attachment to it. These reactions are automatic, they do not require any conscious intention or any special knowledge or understanding. (On the contrary, if some reflection does interrupt the process at any time, tanha may be intercepted, and the process rechanneled into a new form.)

Because tanha so closely follows feeling, it tends to seek out objects which will provide pleasant feelings, which are basically the six kinds of pleasant sense objects: sights, sounds, smells, tastes, bodily feelings and mental objects. The most prominent of these are the first five, known as the five sense pleasures. The six sense objects, and particularly the five sense pleasures, are the objects that tanha seeks out and fixes onto. In this context, our definition of tanha might be expanded on thus: tanha is the craving for sense objects which provide pleasant feeling, or craving for sense pleasures. In brief, tanha could be called wanting to have or wanting to obtain.

The way tanha works can be seen in the basic need for food. The biological purpose of eating is to nourish the body, to provide it with strength and well-being. Supplanted over this biological need is the desire for enjoyment, for delicious tastes. This is tanha. At times, the desire of tanha may be at odds with well-being, and may even be detrimental to

the quality of life. If we are overwhelmed by tanha when we eat, rather than eating for the purpose of nourishing the body and providing it with well-being, we eat for the experience of the pleasant taste. This kind of eating knows no end and can lead to problems in both body and mind. The food may be delicious, but we may end up suffering from indigestion or obesity. On a wider scale, the social costs of overconsumption, such as depletion of natural resources and costs incurred by health care, not to mention crime, corruption and wars, are enormous.

Modern economics and Buddhism both agree that mankind has unlimited wants. As the Buddha said, "There is no river like craving." [Dh.186] Rivers can sometimes fill their banks, but the wants of human beings can never be filled. Even if money were to fall from the skies like rain, man's sensual desires would not be satisfied. [Dh.251] The Buddha also said that even if one could magically transform one single mountain into two mountains of solid gold it would still not provide complete and lasting satisfaction to one person. [S.I.117] There are numerous teachings in the Buddhist tradition describing the unlimited nature of human want. Here I would like to relate a story that appears in the Jataka Tales. [J.II.310]

In the far and ancient past there lived a king called Mandhatu. He was a very powerful ruler, an emperor who is known in legend for having lived a very long life. Mandhatu had all the classic requisites of an emperor; he was an exceptional human being who had everything that anyone could wish for: he was a prince for 84,000 years, then the heir apparent for 84,000 years, and then emperor for 84,000 years.

One day, after having been emperor for 84,000 years, King Mandhatu started to show signs of boredom. The great wealth that he possessed was no longer enough to satisfy him. The King's courtiers saw that something was wrong and asked what was ailing His Majesty. He replied, "The wealth and pleasure I enjoy here is trifling. Tell me, is there anywhere superior to this?" "Heaven, Your Majesty," the courtiers replied. Now, one of the King's treasures was the cakkaratana, a magic wheel that could transport him anywhere he wished to go. So King Mandhatu used it to take him to the Heaven of the Four Great Kings. The Four Great Kings came out to welcome him in person, and on learning of his desire, invited him to take over the whole of their heavenly realm.

King Mandhatu ruled over the Heaven of the Four Great Kings for a very long time, until one day he began to feel bored again. It was no longer enough, the pleasure that could be derived from the wealth and delights of that realm could satisfy him no more. He conferred with his attendants and was informed of the superior enjoyments of the Tavatimsa Heaven realm. So King Mandhatu picked up his magic wheel and ascended to the Tavatimsa Heaven, where he was greeted by its ruler, Lord Indra, who promptly made him a gift of half of his kingdom.

King Mandhatu ruled over the Tavatimsa Heaven with Lord Indra for another very long time, until Lord Indra came to the end of the merit that had sustained him in his high station, and was replaced by a new Lord Indra. The new Lord Indra ruled on until he too

reached the end of his life-span. In all, thirty-six Lord Indras came and went, while King Mandhatu carried on enjoying the pleasures of his position.

Then, finally, he began to feel dissatisfied – half of heaven was not enough, he wanted to rule over all of it. So King Mandhatu began to plot to kill Lord Indra and depose him. But it is impossible for a human being to kill Lord Indra, because humans cannot kill heavenly beings, and so his wish went unfulfilled. King Mandhatu's inability to satisfy this craving began to rot the very root of his being, and caused the aging process to begin.

Suddenly he fell out of Tavatimsa Heaven, down to earth, where he landed in an orchard with a resounding thump. When the workers in the orchard saw that a great king had arrived, some set off to inform the Palace, and others improvised a makeshift throne for him to sit on. By now King Mandhatu was on the verge of death. The Royal Family came out to see and asked if he had any last words. King Mandhatu proclaimed his greatness. He told them of the great power and wealth he had possessed on earth and in heaven, but then finally admitted that his desires remained unfulfilled.

There the story of King Mandhatu ends. It shows how Buddhism shares with economics the view that the wants of humanity are endless.

From Conflict to Harmony

In the struggle to feed their blind and endless desires, people do not clearly perceive what is of true benefit and what is harmful in life. They do not know what leads to true well-being and what leads away from it. With minds blinded by ignorance, people can only strive to feed their desires. In this striving they sometimes create that which is of benefit, and sometimes destroy it. If they do create some well-being, it is usually only incidental to their main objective, but in most cases the things obtained through *tanha* harm the quality of life.

As they struggle against each other and the world around them to fulfill their selfish desires, human beings live in conflict with themselves, with their societies and with the natural environment. There is a conflict of interests; a life guided by ignorance is full of conflict and disharmony.

If this were all there is to human nature, and all that needed to be taken into consideration in economic matters, then we human beings would not be much different from the animals, and perhaps even worse because of our special talent for pursuing activities which are detrimental to well-being. Fortunately, there is more to human nature than this. Buddhism states that human beings are naturally endowed with a special aptitude for development. While Buddhism accepts the fact that it is natural for people to have cravings for things, it also recognizes the human desire for quality of life or well-being, the desire for self improvement and goodness. Problems arise when life is lived from ignorance and at the direction of craving. Problems can be solved by acquiring knowledge. Human development thus hinges on the development of knowledge. In Buddhism we call this kind of knowledge *pañña*, wisdom.

When ignorance is replaced with wisdom, it is possible to distinguish between what is of true benefit and what is not. With wisdom, desires will naturally be for that which is truly beneficial. In Buddhism, this desire for true well-being is called dhammachanda (desire for that which is right), kusalachanda (desire for that which is skillful), or in short, chanda.

The objective of chanda is dhamma or kusalahamma, truth and goodness. Truth and goodness must be obtained through effort, and so chanda leads to action, as opposed to tanha, which leads to seeking. Chanda arises from intelligent reflection (yoniso-manasikara), as opposed to tanha, which is part of the habitual stream of ignorant reactions.

To summarize this:

1. Tanha is directed toward feeling; it leads to seeking of objects which pander to self interests and is supported and nourished by ignorance.
2. Chanda is directed toward benefit, it leads to effort and action, and is founded on intelligent reflection.

As wisdom is developed, chanda becomes more dominant, while the blind craving of tanha loses its strength. By training and developing ourselves, we live less and less at the directives of ignorance and tanha and more and more under the guidance of wisdom and chanda. This leads to a more skillful life, and a much better and more fruitful relationship with the things around us.

With wisdom and chanda we no longer see life as a conflict of interests. Instead, we strive to harmonize our own interests with those of society and nature. The conflict of interests becomes a harmony of interests. This is because we understand that, in the end, a truly beneficial life is only possible when the individual, society and the environment serve each other. If there is conflict between any of these spheres, the result will be problems for all.

Ethics and the Two Kinds of Desire

As we have seen, Buddhism recognizes two different kinds of wanting: (1) tanha, the desire for pleasure objects; and (2) chanda, the desire for well-being. Tanha is based on ignorance, while chanda is based on wisdom and is thus part of the process of solving problems.

Tanha and chanda both lead to satisfaction, but of different kinds. Using the example of eating, people who are driven by tanha will seek to satisfy the blind craving for sensual pleasure which, in this case, is the desire for pleasant taste. Here, satisfaction results from experiencing the flavor of the food. But when guided by chanda, desires are directed to realizing well-being. We are not compelled to overeat or to eat the kinds of foods that

will make us sick simply because they taste good. Instead, we eat to satisfy hunger and nourish the body. Here satisfaction results from the assurance of well-being provided by the act of eating. We enjoy our food, but not in such a way that leads to remorse.

Chanda leads to effort and action based on intelligence and clear thinking. By contrast, tanha leads to blind seeking based on ignorance. Both of these internal desires motivate behavior, but with very different ethical consequences. In Buddhism the ethical value of behavior can be judged by whether it is motivated (overtly) by tanha or chanda and (on a deeper level) by ignorance or wisdom. When it comes to judging the ethical value of economic behavior, we must determine what kind of mental state is motivating it. When greed (tanha) is driving economic decisions, behavior tends to be morally unskillful, but when desire for well-being (chanda) is guiding them, economic behavior will be morally skillful. By judging economic behavior in this way, we see how mental states, moral behavior and economic activity are linked in the cause and effect stream.

From the Buddhist point of view, economic activity should be a means to a good and noble life. Production, consumption and other economic activities are not ends in themselves; they are means, and the end to which they must lead is the development of well-being within the individual, within society and within the environment.

Contrary to the misconception that Buddhism is only for renunciants, Buddhists recognize that acquiring wealth is one of life's fundamental activities, and the Buddha gave many teachings on the proper way to acquire wealth. But he always stressed that the purpose of wealth is to facilitate the development of highest human potential. In Buddhism there are said to be three goals in life: the initial, medium, and ultimate goals. The initial goal is reasonable material comfort and economic security. Material security, however, is only a foundation for the two higher, more abstract goals – mental well-being and inner freedom.

The major part of our lives is taken up with economic activities. If economics is to have any real part to play in the resolution of human problems, then all economic activities – production, consumption, work and spending – must contribute to well-being and help realize the potential for a good and noble life. It is something that we are capable of doing. The essence of Buddhist economics lies here, in ensuring that economic activity enhances the quality of our lives.

Ethical Considerations in Economic Activity

A fundamental principle of modern economics states that people will only agree to part with something when they can replace it with something that affords them equal or more satisfaction. But this principle only considers the satisfaction that comes from owning material goods. Sometimes we can experience a sense of satisfaction by parting with something without getting anything tangible in return, as when parents give their children gifts: because of the love they feel for their children, they feel a more rewarding sense of satisfaction than if they had received something in return. If human beings could expand their love to all other people, rather than confining it to their own families, then they

might be able to part with things without receiving anything in return, and experience more satisfaction in doing so. This satisfaction comes not from a desire to obtain things to make ourselves happy (tanha), but from a desire for the well-being of others (chanda).[*]

Another economic principle states that the value of goods is determined by demand. This principle is classically illustrated by the story of two men shipwrecked on a desert island: one has a sack of rice and the other a hundred gold necklaces. Ordinarily, a single gold necklace would be enough, more than enough, to buy a whole sack of rice. But now the two men find themselves stranded on an island with no means of escape and no guarantee of rescue. The value of the goods changes. Now the person with the rice might demand all one hundred gold necklaces for a mere portion of the rice, or he might refuse to make the exchange at all.

However the question of ethics does not come into this discussion. Economists may assert that economics only concerns itself with demand, not its ethical quality, but in fact ethical considerations do affect demand. In the example of the two shipwrecked men, there are other possibilities besides trade. The man with the gold necklaces might steal some of the rice while the owner is not watching, or he might just kill him in order to get the whole sack. On the other hand, the two men might become friends and help each other out, sharing the rice until it's all gone, so that there is no need for any buying or selling at all.

In real life, it could happen in any of these ways. Factors such as personal morality or emotions such as greed and fear can and do affect economic outcome. A demand that does not stop at violence or theft will have different results from one that recognizes moral restraints.

One way to evaluate the ethical quality of economic activity is to look at the effects it has on three levels: on the individual consumer, on society and on the environment. Let us return to the example of the bottle of whiskey and the Chinese dinner. It is obvious that, though their market prices may be the same, their economic costs are not equal. The bottle of whiskey may damage the consumer's health, forcing him to spend money on medical treatment. The distillery which produced the whiskey may have released foul-smelling fumes into the air. This pollution has economic repercussions, forcing the government to spend resources on cleaning the environment. Moreover, one who drinks and suffers from a hangover on the job will work less efficiently, or he might get drunk and crash his car, incurring more economic costs. Then there are detrimental social effects: drinking can contribute to crime, which has very high costs for society.

Although ethical questions, they all have economic ramifications. They imply the necessity of looking at economic costs on a much wider scale than at present – not just in terms of market prices. There is now a trend towards including environmental costs in economic calculations. Some economists even include them in the cost of a finished product. But this is not enough. In the case of the bottle of whiskey, apart from the environmental costs, there are also the social, moral, and health costs – inefficient

production, auto accidents, liver disease, crime – all of which have economic implications.[**]

A second way to evaluate the ethical quality of economic activity is to determine which kind of desire is at its root. The most unethical economic activities are those that feed tanha while undermining well-being. Trade in tobacco, drugs, and prostitution are examples of detrimental economic activities geared solely toward satisfying a craving for pleasure.

The more people are driven by tanha the more they destroy their true well-being. This principle applies not only to the obvious vices, but to all economic activities. Thus, in decisions dealing with consumption, production, and the use of technology, we must learn how to distinguish between the two kinds of desire and make our choices wisely.

Footnotes:

[*] Chanda, when directed toward other beings, is called metta, goodwill, the desire for others' welfare.

[**] In light of the above, the recent acceptance of environmental costs (because of pressure resulting from the threat of imminent environmental havoc) in economic activity by the economic mainstream, while still ignoring social and ethical costs (because the threat is not yet extreme enough to demand their attention), which are equally as objective, is indeed unusual – a good example of subjectivity in economic thinking.