



The International Network of Engaged Buddhists

Report on BUDDHIST ECONOMICS Workshop
Two afternoon workshops held 27 and 29 October 2011

Presented during

INEB's conference on *The Future of Buddhism:
From Personal Awakening to Global Transformation*,
October 26 – 29, 2011, Bodhgaya, India

Supported by



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Introduction: Buddhist Economics in the 1970's

Clearly Buddhist economics have existed since ancient times. However, it was in 1972 that E.F. Schumacher's book *Small is Beautiful: Economics as if People Matter*, though inspired by the traditional economy of Burma where he was stationed, cast a new light on a Buddhist approach to economics. Schumacher's book in combination with several other events marked a breakthrough of 'alternative vision' in that era. The Sathirakoses Nagapradipa Foundation (SNF, the parent organization of INEB) had been established in 1968 by Sulak Sivaraksa in Thailand. Also, the Club of Rome published the groundbreaking study entitled *Limits to Growth* during the same period, and the King of Bhutan mentioned for the very first time that *Gross National Happiness* was more important to his people than the Gross National Product. Quite significantly the *International Federation of Organic Agriculture Movements (IFOAM)*, the global network of organic producers, traders and consumers groups, was founded in France in 1972.

The End of the 20th century

At the end of the 20th century a new wave of innovations were unearthed: *Buddhist Economics. A Middle Way for the Market Place*, a standard book until today, was published by P.A. Payutto in Thailand in 1992. While Sulak Sivaraksa organized an international gathering titled *Alternatives to Consumerism* in 1997 which brought together an enormous diversity of groups contributing to shaping a new society. Among many other things *Alternative to Consumerism* resulted in the start of Social Venture Network Asia (Thailand), a lively network of responsible business leaders. This was the same year that David R. Loy published his book *The Great Awakening. A Buddhist Social Theory*.

Buddhist Economics in the New Millennium

In 2004 the first international conference on Gross National Happiness was organized by the Centre for Bhutan Studies in Bhutan capital of Thimphu. SNF was invited to the conference which led to the 3rd international conference on Gross National Happiness (GNH) being held in Nongkhai and Bangkok, Thailand. This event forged a link between the GNH Movement and INEB; Dharmachari Lokamitra (India) and Harsha Navaratne were speakers. Harsha, who became the new chairperson of INEB's Executive Committee, brought an interreligious delegation from Sri Lanka and a group of illuminating artists to the conference. A unique informal INEB meeting on Burma was held at GNH3 where references were made to E.F. Schumacher's observations on Burma in the 70's; and how Burma could possibly transform its relative isolation from the world economy into a future advantage.

In that same period the Hungarian economist Laszlo Zsolnai founded the Buddhist Economics Research Platform (BERP) together with Apichai Puntasen (Thailand) who later organized a Buddhist Economics conference in Ubon Ratchathani University. USA-based member of the platform is Joel Magnuson (USA), author of *Mindful Economics. How the US Economy Works, Why It Matters, and How It Could Be Different* (2007). Professor Laszlo Zsolnai edited a standard work released in 2011 titled *Ethical Principles and Economic Transformation – A Buddhist Approach*.

The School for Wellbeing Studies and Research was established in Thailand as a result of the GNH3 conference. The three founding partners were Chulalongkorn University, Faculty of Political Science, Bangkok; the Centre for Bhutan Studies, Thimphu, Bhutan; and the Sathirakoses Nagapradipa Foundation, Bangkok. The School's first activity involved organizing the visit of Nobel Laureate Joseph E. Stiglitz who had earlier commented on the 2008 crisis that "The Fall of Wall Street Is to Market Fundamentalism What the Fall of the Berlin Wall Was to Communism".

It was in this context that the School for Wellbeing arranged public events in Bangkok with Vandana Shiva who spoke on *Earth Democracy, Sustainability, Justice, Peace* (the title of her book translated

into Thai by Suan Nguen Mee Ma publishers) and Helena Norberg Hodge who later showed her wave-making film *The Economics of Happiness*.

Vandana Shiva inspired the School for Wellbeing to start a new project *Towards Organic Asia - organic agriculture as the heart of global transformation* - including partnerships with organizations in the Mekong region and participation in the IFOAM World Congress *Organic is Life* in Korea. She also visited Bhutan where she gave her full support to the “Bhutan 100% Organic Country” policy launched with passion by Prime Minister Jigmi Y. Thinley. Remarkably, during its visit to Burma the *Towards Organic Asia* delegation met business persons active in the organic movement who cherished the same vision for Burma as the Prime Minister promotes for Bhutan.

Within this framework the idea of a Buddhist ‘social investment fund’ was initially explored at the INEB conference in Chiangmai in 2009. The idea was significantly strengthened by the publication of the Sulak Sivaraksa’s new book *The Wisdom of Sustainability. Buddhist Economics for the 21st Century* followed by him receiving the prestigious Niwano Peace Prize in Japan.

Suddenly the Royal Government of Bhutan took the initiative consistent with adopting their Resolution on Happiness dubbed the “Millennium Development Goal 9” by the UN General Assembly. This goal was designed to start a process of replacing the Bretton Woods system (1944), including the World Bank and IMF, with a new global financial architecture based on a sustainable economic paradigm (Rio+20 document of Bhutan). A first meeting at the UN Headquarters in New York has been convened on 2nd April 2012!

With this in mind, the Exchange Platform *Re-thinking Property. Pathway to a Well-Being Society scenario?* co-organized by the School for Wellbeing and INEB, in Bangkok, August 2012, became a unique event. Where to start? How to get it all together? The exchange platform included a workshop on economics with Apichai Puntasen, Silke Helfrich (Germany; Commons Strategy Group), Sathis de Mel (senior NGO strategist, Sri Lanka), Prida Tiasuwan (Pranda Group, Thailand; Advisor, Social Venture Network) and Jacques-chai Chomthongdi (Focus on the Global South). As well as scenario-building and Well-being Society workshops with Nicanor Perlas (Philippines), Leif Olsen (Sweden) and Takayoshi Kusago (Japan) preceded by a presentation on the Gandhian concept of *trusteeship* by UNDP legal expert Sudarshan (India). All contributing to a complex intercultural and interdisciplinary exchange.

INEB conference in Bodhgaya

During INEB’s biannual conference at the historic city of Bodhgaya, India, which is the place where the Buddha attained enlightenment, concrete progress was presented by launching the Right Livelihood Fund. This was a realization of the Buddhist approach to ‘social investment’ previously discussed in Chiang Mai Thailand in 2009, as well as at the Executive Committee meeting in 2010. In addition to these discussions, a Buddhist Economics workshop was held at the biannual conference during two afternoon sessions on October 27 and 29. The first session was entitled *Exploring the Buddhist Economics Landscape* and the second session was entitled *Analysis and the Way Forward*.

The Niwano Peace Foundation supported the workshop as an opportunity for active learning and exchange by key people. This report specifically summarises information regarding the workshops content and finances.

The purpose of the workshop was to:

- Conceptualize and initiate a long term cooperative **INEB network facilitating ‘Buddhist Economics’ initiatives and exchanges of insights, experiences and analysis.**

- **Develop an action-research framework** with Buddhist characteristics to clarify, strengthen and promote ‘**Buddhist Economics**’ as a creative “**player**” within
 - multi-cultural
 - intra-disciplinary
 - inter-religious and
 - multi-sector dynamics (*business sector, *governments and *civil society)

- **Explore how new insights can be gathered and made available as training programmes, coaching services, action-research assistance.**

- **To shape exchanges with groups dedicated to Buddhist economics-on-the ground:** as discussed in the INEB conference workshops on organic agriculture and green marketing, right livelihood social enterprises, empowerment of marginalized groups, and waste management, etc., as well as conceptual exchanges with the Buddhism and Climate Change initiative regarding the upcoming Rio 20+ discussion on the “Green Economy”. To co-create a common support network.

Summaries of the four individual presentations are available below:

Overview of New Academic Insights and Emerging Networks

Professor Apichai Puntasen

Former Dean, Faculty of Economics, Thammasat University, Bangkok, Thailand

According to professor Apichai, inequality and injustice are relatively minor problems in Buddhism as they are not causes but effects. Nonetheless, a Buddhist must not take a lukewarm position when confronted with immediate injustice and inequality as one contributes to causing the situation to continue by in-action. However, instead of confronting the situation head-on, one should carefully examine the situation and identify the deeper causes, as well as trying to address them with *pañña* (wisdom) in a peaceful way. This point of view raises the question on what should be the specific role of INEB in realizing Buddhist economics.

Professor Apichai encouraged extending networks beyond existing borders of religions, beliefs and secular philosophies. This is possible as long as those in the networks clearly understand that sharing *pañña* is the way to address human ignorance and the misconceptions entrenched in conventional economic systems.

All the activities must be in the form of Buddhist economics on-the-ground starting from moderate consumption for everyone, and production that considers all forms of externalities or, in short, social costs and benefits. The distribution of output should not be based on marginal productivity but based on addressing real, essential needs. These activities can range from internet-based activities where useful knowledge of all forms is shared, to sustainable agriculture, manufacturing, as well as services. The problems and experiences of all these activities must be shared within the networks and beyond.

Professor Apichai concluded that Buddhist economics is the way to save the world from ignorance spread by mainstream economics through *pañña*. INEB’s growing network can co-constitute Buddhist economics as an important realization of its engagement. The best way for such engagement is to give *pañña*, or ethics that can be commonly shared by major religions and beliefs, including secular philosophies. Although INEB should not overlook challenges of immediate social injustice and inequality, it should not spend too much effort on winning many minor battles and losing the opportunity of winning a major “war”. (More detailed information for Professor Apichai’s presentation is included in the appendix.)

Buddhist Economics and Gross National Happiness

*Siok Sian Pek Dorji, founder of Bhutan's first NGO – Bhutan Centre for Media and Democracy
Thimphu, Bhutan*

Global capitalism has made the pursuit of profit the over-riding reason of life in a rich world where many poor people live. In the US – 1% = own more than 40% of the country's wealth and take home a quarter of the country's income. The developed world is consuming most of the world's resources. "We live in an age of unprecedented wealth and also increasing discontent" – Jeffrey Sachs.

The Occupy Wall Street movement or "We the 99%" is a clear expression of discontent. Joseph Stiglitz addressed the occupiers: *"The top 1 percent has the best houses, the best educations, the best doctors, and the best lifestyles. But there is one thing that money doesn't seem to have bought which is an understanding that their fate is bound up with how the other 99 percent live. Throughout history, this is something that the top 1 percent eventually does learn. Too late."*

Gross National Happiness is not only a national philosophy of Bhutan, but a powerful idea addressing the current economic paradigm. However, we have to distinguish "Disney happiness" or the type of feeling good made popular by the media from "happiness" as broad and complex term pointing at "meaning".

In Bhutan Gross National Happiness (GNH) has evolved from a concept to a concrete policy tool. The GNH Commission applies a GNH policy screening tool before any proposal can be adopted by the government. The GNH policy screening tool was developed by the Centre for Bhutan Studies which formulated screening questions covering nine domains of GNH. All policies and projects have to be screened to test their applicability in enhancing the values of GNH, for example, questions on equity or matters related to economic security such as: Will the project favour higher income groups more than lower income groups? What are the differential effects on income groups? Will lower income groups be favoured more than higher income groups?

Conclusions: Global happiness is based on inter-connection through the human spirit. There is a strong need for personal centering in spirituality. The definition of happiness has to be reframed. Can we develop a new collective imagination? Not anti-material/consumerist but pro certain values? However, we have to be realistic as socio-economic development is a major pillar and basic needs must be met. Ultimately, we need to learn how to live happily in a crowded world ensuring there is enough for everyone.

A 'Turning Point' in Japan

Professor Jun Nishikawa, Waseda University, Tokyo, Japan

The atomic disasters in Fukushima are a consequence of top-down (politicians-bureaucrats-business sector) development policies adopted by Japan after World War II, according to professor Jun Nishikawa, that were geared on high capital accumulation and consumption through an export-oriented strategy. The centralist development strategy based on nuclear power was supported by huge propaganda telling citizens in less developed regions of Japan that "atomic power is always safe, bringing prosperity and a bright future to the region". This false rational of the atomic power structure was imposed on rural areas. In conclusion, professor Jun stated, the atomic incident was clearly a human-made disaster, not a natural disaster although it was triggered by an earthquake tsunami.

The value-system needs be shifted from a worldview based on material wealth to a life-style centered on spiritual values. This shift will lead to a decentralized world of "conviviality" leading from elite power structures promoting efficiency and competition, and consequently exhausting the environment and the workforce, to a *Bhavana* economy guided by inner development (opening

oneself to the common truth), changing values and ultimately towards genuine sustainability. From this perspective, the emerging leading values will be compassion, mutual support, care and non-violence.

At a more practical economic level this includes creating employment through encouraging social enterprises. An enabling policy development environment, not “developmentism”, is needed to secure this economy of “conviviality”.

Buddhist Economics: A New Perspective on ‘Development’
Professor Hisashi Nakamura, Ryukoku University, Kyoto, Japan

Professor Nakamura’s vivid concluding presentation highlighted that, in addition to perspectives mentioned earlier during the workshop, two approaches to economics can be recognized that are based on materialistic and on non-materialistic conceptualizations. Under the materialistic conceptualizations two “schools” can be distinguished: maximizing profits are typical for the orthodox neo-classical school (the major stream); and promoting minimizing consumption by the orthodox Buddhist school (minor stream).

Non-materialistic perspectives open insight on:

- a. *The Sustainability of Circularity* using the example of the role of the salmon who carries its “mission” against the gravity of the earth, nutrients from the oceans to land surfaces and mountains where they contribute to the strength of eco-systems.
- b. *Appreciating Diversity* which results in Buddhist economics attributing equality to breadwinners within economic organizations as well as to non-earners like pregnant women, children, elderly persons, sick persons and persons with disabilities.
- c. *The Dynamics of Buddhist Economies Rests upon Creating Relationships*. This can manifest in self-employed initiatives and co-operative enterprises, as well as the way they are interconnected with each other through local communities, mindful markets and supporting networks. From this perspective labour comprises alternatives of working for intimate people (unpaid), working for initially unknown people (self-employed) and of working for employers (wage earners).

Professor Nakamura concluded that Buddhists Economics should be based preferably on inter-relationships within community life rather than on individual efforts and ethics. Activities beyond the scale of communities could be managed by network-organizations or “federations of communities” which uphold the principles of common property, rather than by a state-owned public sector.

Post Conference Progress

Following the conference gradual progress is being made on developing an *INEB strategic plan on Buddhist Economics*. A plan may be presented at the INEB Executive Committee meeting hosted in Japan, 6 – 10 November 2012. The strategic plan may be comprised of three elements:

- Generating innovative knowledge and wisdom – enlivening the academic network
- Operationalizing the Right Livelihood Fund and nurturing it as an action-research platform: exchange of experiences
- Campaigning and expressing critical analysis; advocacy for transformation

On 3 January 2012, Dharmachari Vajraketu (Triratna Buddhist Community, UK), founder and managing director of *Windhorse: Evolution* – a successful Buddhist enterprise, was in Bangkok and

shared his rich experiences with the pioneers of the Right Livelihood Fund initiative regarding conducting business with mindfulness.

The network will be proposed to the joint meeting of INEB's Executive Committee and Advisory Council in Japan in November 2012 which will take incorporate input from activities during the coming year (e.g., David Loy; Bhutan UN meetings; Rio+20 etc.).

An important debate around the workshop on *Buddhism in India* focused on traditional communities as potential core level for addressing caste discrimination, and the danger of romanticizing the idea of "federation of communities" in the Gandhian sense. A new, contemporary, community spirit will have to be co-created, liberating us from prejudice and karma.

Sulak Sivaraksa recently made comments on emerging international, sometimes competing, Buddhist coalitions. Buddhist economics may be the issue where networks, and INEB in the first place, "can make a difference". Inter-cultural cooperation is essential, across religions and secular movements.

Financial Report

Buddhist Economic Platform The Statement of Income and Expenditure 20 - 24 October 2011

| | <u>Baht</u> |
|-----------------------------------|-------------------|
| Income Sources | |
| Grant - Niwano Peace Foundation | 264,915.00 |
| Other Income | |
| Total Income | <u>264,915.00</u> |
| Expenditures | |
| Travel Expense | 184,874.08 |
| Food for workshop | 62,360.00 |
| Documentation | 3,000.00 |
| Honorarium for resource person | 15,590.00 |
| Bank fee | 500.00 |
| Total Expenditures | <u>266,324.08</u> |
| Income Over(Less)than Expenditure | <u>- 1,409.08</u> |

Overview of New Academic Insights and Emerging Networks
Professor Apichai Puntasen
Former Dean, Faculty of Economics, Thammasat University, Bangkok, Thailand

The heart of the well-founded presentation of professor Apichai depends on their scientific base, the core values, the way to gain happiness and the outcome.

| Mainstream economics | Buddhist economics |
|---|---|
| Scientific base | |
| Based on Newtonian physics | Mind based science |
| Core values | |
| Self-interest and competition | Compassion and cooperation |
| The way to gain more happiness | |
| More consumption | Moderate consumption and more giving to the ones who are still in pain. The best form of giving is the giving of <i>pañña</i> (wisdom). |
| Outcome | |
| Dwindling resources and more hazardous waste leading to human catastrophe | More resources available and less waste and more happiness for all living beings |

According to professor Apichai, inequality and injustice are relatively minor problems in Buddhism as they are not causes but effects. Nonetheless, a Buddhist must not take a lukewarm position when confronted with immediate injustice and inequality as one contributes to causing the situation to continue by in-action. However, instead of confronting the situation head-on, one should carefully examine the situation and identify the deeper causes, as well as trying to address them with *pañña* (wisdom) in a peaceful way. This point of view raises the question on what should be the specific role of INEB in realizing Buddhist economics.

As it becomes obvious that Buddhist economics can save the world in a non-violent way, Buddhist economics can be realized by INEB as an ‘alternative approach’ to confronting illusion and ignorance spread by the mainstream economics. Taking on this task alone is quite a heavy challenge for INEB and INEB should not ignore the immediate problems of social injustice and inequality. Nevertheless, it should not devote most of its efforts to these minor battles, if it wants to win the major “war”. In fact, if the major challenge is met, minor challenges will consequently dissolve.

The keyword for this major challenge is “giving”, and the best kind of giving is giving *pañña* = wisdom. Giving *pañña* is an ethical stand that can be shared by most religions and other major beliefs. The first step that INEB should take is to accumulate its own *pañña*, the way Buddha and his followers did by developing their own mind while living at the edge between the village and the forest. Then, INEB should start to give *pañña* directly or indirectly through actual practice bit by bit, the way Buddha and his followers did in the past.

How to implement such wisdom accumulating relationship in actual practice?

INEB's members need to be acquainted with the concepts of Buddhist economics and mainstream economics at their scientific bases, their core values, their outcomes and their practical aspects. Above all, INEB's members should live their lives and conduct their activities in accordance with the *Buddhadhamma* and the principles of Buddhist economics. INEB's members should accumulate and share practical experiences of giving *pañña* to others. They can initiate new initiatives through actual demonstration and communication. Knowledge accumulated from these cases, apart from being disseminated in cyber space, should be spread through training, coaching, consulting and action-research support through efficient use of resources.

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All the activities must be in the form of Buddhist economics on-the-ground starting from moderate consumption for everyone, and production that considers all forms of externalities or, in short, social costs and benefits. The distribution of output should not be based on marginal productivity but based on addressing real, essential needs. These activities can range from internet-based activities where useful knowledge of all forms is shared, to sustainable agriculture, manufacturing, as well as services. The problems and experiences of all these activities must be shared within the networks and beyond.

Most importantly, the networks' members must adhere to the regular practice of *Buddhadhamma*, as well as to keep training their mind in order to be free from all kinds of *kilesa* or defilements. While giving *pañña* to others, it is necessary to get rid of one's own *kilesa* at various levels. Otherwise one cannot give *pañña* to others directly, as well as being a living example which comprises indirect giving of *pañña*, which is the ultimate practice in Buddhism.

Professor Apichai concluded that Buddhist economics is the way to save the world from ignorance spread by mainstream economics through *pañña*. INEB's growing network can co-constitute Buddhist economics as an important realization of its engagement. The best way for such engagement is to give *pañña*, or ethics that can be commonly shared by major religions and beliefs, including secular philosophies. Although INEB should not overlook challenges of immediate social injustice and inequality, it should not spend too much effort on winning many minor battles and losing the opportunity of winning a major "war".

Giving *pañña* can range from communicating through cyber space, agro-ecology, clean industry, and services, keeping the rules of Buddhist economics in mind, namely, moderate consumption, production with minimum social costs and maximum social benefits, as well as distribution based on real needs. This way ignorance created by mainstream economics will eventually be defeated.