

Why Buddhist economics is needed: overcoming large scale biophysical and socio-economic dysfunctions¹

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Introduction

Every society has a particular world view that reflects their people's values, especially their values concerning how their economies should function. The world view of Western societies has typically reflected to a considerable extent the principles and concepts of mainstream economics. In recent years, an alternative to mainstream economics, Buddhist economics, has been increasingly discussed; it incorporates a world view very different from the world views of Western economies (see, for example, Brown, 2017 and Magnuson, 2017). There is good reason to believe that, due to Western economies' reliance on mainstream economics, these economies are deficient with regard to dealing with issues like social justice and environmental sustainability. The purpose of this paper is to explain how these two world views differ and why, in light of the very difficult problems facing the world, adopting the values and perspectives of Buddhist economics can be expected to do much more to overcome large scale socio-economic dysfunctions and improve societal well-being than can be expected from utilizing the world views of industrial capitalist economies (see Zadek, 1997, pp. 241-243).

Mainstream economics has focused on individual, self-interested motivation, and it has viewed people's desires as socially determined and given. On the other hand, according to Buddhist economics, people are often suffering and struggling to overcome their socially programmed desires, their strong self-interests, and their desires to take advantage of others (Zadek, 1997, p. 242). Arguably, Buddhist economics is better equipped to understand people's collective concerns and interrelationships. Mainstream economists' analyses of human behavior all too often boil down to evaluating how individuals assess the benefits and costs of their prospective actions. Due to mainstream economics emphasis on self-regard as opposed to regard for others, it places little value on relational virtues such as generosity and compassion. In mainstream economics, relationships are typically a means for achieving something else; whereas in Buddhist economics relationships are an end in itself. Mainstream economics attempts to be value free. Buddhist economics, on the other hand, is explicit about its values and ethics (pp. 242-243).

As Zadek (1997, p. 244) and others have recognized, an economy needs to be built on an explicit set of values, values that are associated with and contribute to true human well-being. I argue here that there are many reasons to believe that if societies were to adopt Buddhist economics and follow its dictates this would improve societal well-being, as societies would experience less social and environmental dysfunction. This is because important contemporary dysfunctions such as climate change, chronic diseases (for example, obesity and cancer), and other severe social problems will be substantially lessened if people were to

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live in accord with the values and morality of Buddhism. To put it another way, we need Buddhist economics because “mainstream economics helplessly legitimizes the convergence of the world economy towards an uncontrollable explosion of excesses and inadequacies of almost every conceivable form” (p. 246).

The plan of the paper is as follows. Section 1 explains about the essential nature of Buddhism, its fundamental teachings and values, and its importance. Section 2 explains how the world views embodied in Western economies differ from the world view of Buddhism. Section 3 explains how the world views of Western economies contribute to the biophysical and socio-economic dysfunctions that are all too common today. Examples of these dysfunctions are provided and analyzed. Section 4 argues that the adoption of Buddhist economics is essential if the world's societies are to make significant progress in overcoming the dysfunctions. Section 5 concludes.

Buddhism

Buddhism deals with the spiritual realm. It concerns wisdom about how best to live one's life in light of the realities of human existence. To understand the essence of Buddhism, it is important to start with the most basic teachings of the Buddha, i.e., the Four Noble Truths. The first of these truths is the existence of suffering. Suffering includes birth, old age, sickness, and death as well as anger, jealousy, worry, anxiety, despair, dissatisfaction, and discontent. The second truth is the cause of suffering. Suffering occurs because of ignorance of important life truths that cause people to cling, crave, or otherwise become attached to external worldly phenomena in the erroneous belief that their possession will bring sustained, consummate happiness or satisfaction (Nhat Hanh, 1991, p. 147; Daniels, 2010, p. 957). The third truth is that there is a way out of suffering. We can free ourselves from attachment and clinging by making transformative life changes (Magnuson, 2017, pp. 31-35). To make such changes requires us to gain understanding of important life truths, gaining the wisdom that not only enables us to cease suffering but to realize the rise of peace and joy (Nhat Hanh, 1991, p. 147). To overcome suffering, people may need training and changes in their mental attitudes (Daniels, 2007, p. 162). Old harmful habits of thought and action need to be dissolved. The fourth truth is that there is a path (along with particular practices) that leads to the cessation of suffering. This path is known as the Noble Eightfold Path. “The Eightfold Path details the multifaceted nature of changes in understanding, mental processes, patterns and thoughts, and actions and behavior that are required for progress towards reducing suffering” (p. 162; see also Magnuson, 2017, pp. 35-38). At the heart of this path is living mindfully. Mindfulness involves the kind of concentration and understanding about oneself and others that helps us live compassionately and with peace and joy (Nhat Hanh, 1991, p. 147).

“According to the teachings of Buddhism, human beings are born in a state of ignorance. Ignorance is a lack of knowledge, and it is this lack of knowledge that causes problems in life” (Payutto, 1998, p. 29). This is because people without knowledge or wisdom simply follow their desires or cravings for sense pleasures. When people act in a blind craving manner, they are unable to perceive what is of true benefit (pp. 29-33). However, “when ignorance is replaced with wisdom, it is possible [for people] to distinguish between what is of true benefit and what is not” (p. 33). Wise actions occur when people's efforts and actions are founded on intelligent reflection. If not, people's actions will too often be based on self-interested feelings and ignorant reactions. When people acquire knowledge and wisdom during their lives, they can become more skillful and improve their relationships with people and the things around

them. Then they are much more inclined to act out of a desire for the well-being of others (p. 36).

According to Buddhism, “human beings are naturally endowed with a special aptitude for development” (Payutto, 1998, p. 33). While Buddhism recognizes humans’ ignorance and cravings, it also recognizes humans’ desire for self-improvement through the acquisition of knowledge and wisdom. When people through substantial effort gain wisdom, they are able to intelligently reflect on their life situations and understand the nature of true well-being. Accordingly, they will tend to make choices that are right and beneficial (pp. 33-34). In the absence of positive human development, people are too often led to choose “objects which pander to [their] self-interests and are supported and nourished by ignorance” (p. 34). To summarize, when our chosen efforts are based on ignorant desires for worldly phenomena, which we strongly cling to, and are not based on intelligent reflection, we are not led to choose beneficial outcomes. On the other hand, when our chosen efforts are founded on wisdom and intelligent reflection and not based on clinging to desires serving our self-interests, it leads us to choose truly beneficial outcomes.

“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” (p. 35).

Note that another fundamental economic activity is acquiring wealth. The purpose of wealth acquisition (and other economic activities) should be to facilitate the development of the highest possible human potential and thereby contribute to people’s overall well-being (p. 36). Having some wealth certainly contributes to person’s material security but in addition it provides a foundation for people’s mental well-being and inner freedom. Also note that Buddhism makes a distinction between outer (material) wealth and inner (spiritual) wealth. Inner wealth “includes our capacity to appreciate our experiences and relationships and life as it unfolds around us” (Brown, 2017, p. 22).

Another important Buddhist teaching is the “pervasive theme of interconnectedness and interdependence of all things in existence” (Daniels, 2010, p. 956). This relates to Buddhism’s concept of causality. According to that, the reality of any thing is understood to be dependent on the thing’s connections to all other phenomena despite what might seem to be the thing’s independent existence. An example of this is one’s self. One’s “self” is [conceived of as] an agglomeration of constantly changing physical and mental constituents” (Zsolnai, 2007, p. 145). The essence is that the condition and character of anything (for example, a flower, tree, chair, lake, etc.) is “determined by that of all other entities in the universe through a complex web of cause and effect” (p. 957). The manifestation of a flower, for example, depends on such things as rain, clouds, sun, earth, and human and animal actions. This is understood to be an aspect of the truth of universal oneness. Our human selves are thus understood to be part of the oneness of all things; we are not independent unconnected entities. This relates to the first and second noble truths. When we think of ourselves as independent selves having a specified character, we are no doubt clinging to an erroneous concept of ourselves (Stanley, Loy, and Dorje, 2009, p. 9). This in the view of Buddhism is an important cause of our suffering.

Buddhism distinguishes two kinds of value reflecting the two kinds of desires considered earlier: 1) desires based on wisdom and intelligent reflection, and 2) ignorant desires for worldly phenomena. The first kind of value, true value, is associated with the first type of desire. “A commodity’s true value is determined by its ability to ... [provide] well-being” (Payutto, 1998, p. 40). The second kind of value, artificial value, relates to “a commodity’s capacity to satisfy the desire for pleasure” (p. 40). According to Payutto, “fashionable clothes, jewelry, luxury cars, and ... [goods that are status-symbols] contain a high degree of artificial value because they cater to people’s vanity and desire for pleasure” (p. 40). Goods that are craved due to their sensual appeal tend to have a strong degree of artificial value. And too often people’s desire for goods with artificial value can overwhelm their desire for goods with true value. Right consumption, according to Payutto, involves using goods that satisfy true values, whereas wrong consumption involves the use of goods satisfying artificial values (p. 41). Moreover, when people heedlessly indulge in goods which largely have artificial value, especially goods that are likely to lead to harmful effects on the user or others, they will suffer a loss of true well-being. It is notable that when many people compulsively consume goods whose values are mainly artificial, that tends to breed societal dissatisfaction (pp. 41-42).

The above Buddhist view regarding the true and artificial values of consumer goods is similar in some respects to Tomer’s (2008; see also Daniels, 2010, p. 957) analysis of consumer preferences. Tomer distinguishes three types of consumer preferences: actual preferences, metapreferences, and true preferences. A person’s actual preferences reflect his or her wants and desires when the individual makes an ordinary choice among alternative goods (Tomer, 2008, p. 1706). Metapreferences are a person’s preferences about one’s actual preferences. A person may reflect on his actual preferences, judge their worth, and find that he aspires to better (or different) preferences than he has. These better preferences are his metapreferences. In contrast to the first two preference types, true preferences are a person’s ideal preferences; they are the preferences that “represent the ultimate, unique truth about what is really right and best for that person” (p. 1706). Further, “true preferences are the preferences that a person would have if she were perfectly informed and on the path toward becoming a fully self-realized and spiritually enlightened human” (p. 1706). If a person were consistently choosing goods that have a very high degree of true value, it makes sense that she would be choosing in line with her true preferences.

What is the true purpose of our consumption of goods and services? In the Buddhist view, the answer is that although consumption may satisfy many different desires such as the desires for pleasurable tastes in the case of food, desires for status in the case of many luxury items, desire for interesting experiences in the cases of travel and entertainment, ultimately the true purpose of consumption according to Buddhism is to provide well-being (Payutto, 1998, pp. 41-42). If consumption involves indulging oneself in order to satisfy desires without consideration of its harmful effects, that is, without consideration of whether it is consumed compulsively, whether the consumption is associated with pathologies, or whether the consumption is nutritious and otherwise physically and mentally healthy, then the consumption is not likely to contribute to our true well-being. In other words, unless the consumption is contributing in some significant way to our physical, mental, and spiritual health and welfare, and thereby, contributing positively to some aspects of our human development, it is not contributing to our true well-being (p. 42).

The wisdom of moderation is at the very heart of Buddhism (Payutto, 1998, p. 42). Recall that the values of Buddhism are oriented to the objective of attaining human well-being, not to satisfying endless desires or attempting to maximize the satisfaction of desires. When well-

being becomes the goal, it helps to control economic activity, thereby limiting excess, over consumption, or over production (p. 42). This is because with the focus on well-being people can take the time to reflect on their true purposes. And then they tend to produce or consume the “right amount”, i.e., not too much. Instead of economic activities being controlled by market events like shortages or scarcities, they are controlled by an appreciation of moderation. One example of how this appreciation is fostered is that “Buddhist monks and nuns traditionally reflect on moderation before each meal” (p. 42). In general, Buddhists’ aspire to moderate the use of all goods by “taking the time to reflect on [goods’] true purpose, rather than using them heedlessly” (p. 42). Food, for example is eaten “not simply for the pleasure it affords, but to obtain the physical and mental energy necessary for intellectual and spiritual growth toward a nobler life” (p. 42).

How the world views of Western economies differ from the world view of Buddhism

The world views of Western economies are strongly influenced by the perspectives of mainstream economics, and those world views are fundamentally different from the world view embodied in Buddhism. As mentioned earlier, mainstream economics is solidly based on individual self-interest motivation. According to this view, individuals are strongly motivated to satisfy the many desires of their ego. More specifically, they seek to obtain goods and services and acquire wealth in a way that maximizes their satisfactions. Relationships and interactions with others are generally sought only as a means to achieving other ends (Zadek, 1997, p. 243). In mainstream economics, “even if one gets what one desires, greater desires always emerge. The ego mindset cannot be fulfilled” (Zsolnai, 2007, p. 146). This generally results in greedy behavior, i.e., excessive self-interest seeking, not to mention suffering. Further, people are encouraged to develop greater desires so that businesses will have growing demand for their products. This strong orientation to desiring consumer goods contributes to people’s materialistic values which have been found to be associated with lower personal well-being and psychological health compared to people whose materialistic orientation is lower (p. 148). The hallmark values of Buddhism such as wisdom, generosity, compassion, loving-kindness, moderation, human development, minimizing suffering, and true well-being are not the values embodied in the world views of Western economies. It is noteworthy that an important part of the difference between the perspectives of mainstream economics and Buddhism is the concept of self. Whereas in mainstream economics the self is permanent and unchanging, in Buddhism the self consists of continually changing physical and mental constituents. According to Buddhist teachings, individuals can reduce their suffering by letting go of their clinging to their selves’ desires. Thus, Buddhists understand the individual to be “selfless”, even though the self is understood to be an essential determinant of a person’s individual interactions (p. 146).

Mainstream economics accepts people’s desires as a given; they are not something to be questioned. These desires are merely an individual’s motivation to act in order to attain satisfaction for the self. In contrast to this, as indicated earlier, Buddhism approves of individuals’ actions to acquire and use goods that provide true value but does not approve of goods providing only artificial value. In other words, Buddhism approves of goods that are in accord with people’s true preferences, goods that contribute to human well-being and development. Moreover, Buddhists have high regard for consumption decisions that are based on wisdom and intelligent reflection, not decisions based on ignorant desires for pleasure which often have harmful effects and do not contribute to true well-being.

How the world views of Western economies contribute to biophysical and socio-economic dysfunction

The basic purpose of this section is to explain why competitive markets, especially those in Western capitalist economies, are often seriously dysfunctional in biophysical and socio-economic ways. Let's consider the nature of these problems starting with those having a biophysical impact on the earth's environment. It is becoming more and more apparent (and harder to deny) that human activities on the Earth are having, and are likely to increasingly have, massive negative consequences. This is due to the

“biophysical scale of human activities ... [that are] having substantial impacts upon conditions for life within the ecosphere. A partial list of evidence includes the human-induced loss of fisheries, forests and wetland, the unprecedented rate of species extinction, ... extensive land degradation through desertification, soil erosion and salinization, water quality and availability problems, and the ... imminent and severe potential of global warming and peak oil. These impacts all stem from the significance of the material or energy scale of human intervention in natural cycles and processes such as carbon, water, nitrogen, and phosphorous cycles and net photosynthesis” (Daniels, 2007, p. 155).

While there is much evidence of the Earth's biophysical dysfunction, there is also growing recognition of many types of serious socio-economic dysfunctioning. Among the latter are the dysfunctions contributing to the increasing incidence of obesity, serious chronic ailments such as cancer, heart disease, stroke, Alzheimer's disease, and diabetes, and ailments deriving from adverse childhood experiences related to poverty and inequality (see, for example, Tomer, 2016).

Why don't the competitive markets in Western capitalist economies serve us well by contributing to the diminishment of biophysical and socio-economic dysfunctions? One important part of the answer can be found in Akerlof and Shiller's book *Phishing for Phools: The Economics of Manipulation and Deception* (2015). This book carefully explains how competitive markets often fail in the sense of not serving the interests of consumers. Market failure is indicated when consumers wind up paying too much for products they do not need. At the heart of the failure is the manipulation, deception, and trickery committed by negatively opportunistic, excessively self-interested businesses that are oriented to profiting by taking advantage of their customers (Tomer, 2017). According to Akerlof and Shiller, these “phishing” companies are actively seeking to learn about consumers' lack of information, biases, emotionality, and other weaknesses that make these consumers vulnerable. Once companies understand consumers' vulnerabilities, they can figure out how to take advantage of this knowledge at the expense of the customer (p. 8). Essentially, these opportunistic companies are “about angling, about dropping an artificial lure into the water and sitting and waiting as wary fish swim by, make an error, and get caught” (Akerlof and Shiller, 2015, p. xi). This exploitive conception of business behavior is largely in accord with the business norms prevailing in Western economies and is not inconsistent with conceptions of business behavior found in mainstream economics.

There is another way to understand why markets in Western capitalist economies tend to serve us poorly with regard to biophysical and socio-economic dysfunctioning. The essence is that businesses and consumers in Western economies generally do not behave in ways that

contribute to ideal economic functioning. Let's consider how these business and consumer behaviors are important to understanding the dysfunctioning. First, people in Western economies typically consume goods without much thought or reflection. They do not make the efforts that would be necessary to discover their true preferences, the ideal preferences that are really right and best for them. They consume too many goods high on artificial value and low on true value. As a result, the goods and services they consume do not contribute a lot to their own true well-being or to their society's well-being. It can be argued that these consumers do not progress very far on the path of human development. Too often such consumers wind up choosing goods that are unhealthy or otherwise harmful. The upshot is that the consumption behavior of people in Western economies can generally be characterized as ignorant, immoderate, ungenerous, inconsiderate, unkind, and insensitive to the suffering of themselves and others. Not surprisingly, businesses in Western economies often cater to, and profit from, these unwise consumers. Additionally, these companies are not trying to help consumers discover and adopt better consumption patterns and habits.

Second, as explained in the above sections, businesses in Western economies generally have an opportunistic, exploitive orientation. Therefore, in the absence of clear market incentives for better behavior, these businesses generally do not act in a way that dependably serves the best overall interests of their customers. These companies are not attempting to produce and sell goods that satisfy people's true preferences, goods contributing very strongly to the well-being of individuals and society. These businesses are not choosing to be socially responsible. Socially responsible companies are ones that choose to behave in ways that are simultaneously good for their owners (and various stakeholders) and good for everyone else in the society. Such socially responsible companies choose to avoid imposing costs on others (Tomer, 2017, pp. 5-6). Ideal socially responsible companies are interested in helping their customers discover their true preferences, and correspondingly, consume the kind of goods that are truly right and best for them. This implies that ideal companies would help their customers overcome their habitual attachments to unhealthy goods and lifestyles. Moreover, companies with high ethical ideals presumably would help their customers avoid the possibly negative consequences of using their purchased goods, thereby lowering the risks associated with the use of their customers' purchased products. There is some truth to the view that economic and business norms are changing and in some quarters higher ideals and more socially responsible behaviors are in evidence. However, for the most part, neither the contemporary business norms of Western economies nor mainstream economics' conception of business behavior contain normative views that come close to the socially responsible and ethical norms explained above. In the absence of business norms reflecting socio-economic ideals, it seems unreasonable to expect Western businesses to manifest better behavior than they do.

In light of the above, let's contemplate what's happening in the Svalbard archipelago located midway between continental Norway and the North Pole. Doing this can help us better understand how a change in the world view from that of Western economies to that of Buddhism can be important. Svalbard features an Arctic climate; sixty percent of it is covered with ice. Svalbard is distinctive and important because its islands and the sea surrounding them "hold some of the last pristine environments left on earth, home to some of our planet's most incredible and mysterious creatures which thrived in this remote area that was [largely] off-limits to humans, protected beneath the ice" (Zsolnai, 2016, p. 24; for basic information, see Svalbard Wikipedia). Unfortunately, the sea around Svalbard "has lost fifty nine percent of its ice coverage since 1980, uncovering new territory open to exploitation by industrial fishing fleets. And greedy, profit-driven Norwegian companies [have] started to exploit Svalbard"

(p. 24). Their activities represent the worst kind of profit motivated, opportunistic efforts to gain at the expense of the environment. Because of this, much of the environment in this region is being turned into a marketable resource with little consideration being given to the value of the natural environment. What is happening in Svalbard is indicative of how the values of Western economies and mainstream economics seem to automatically assert themselves when an opportunity in the form of nature's vulnerability presents itself.

Consider a more conventional example that illustrates a way in which Western economies contribute to large scale dysfunction. This is the story of Cinnabon, a company that has been very successful in the usual sense of its growth and volume of business. Cinnabon is a company that makes a very tasty cinnamon roll that has an attractive, strong smell, has 880 calories, and is slathered in frosting (Akerlof and Shiller, 2015, pp. 2-3). It is very tempting to buy Cinnabons, but they are not a healthy food. The success of Cinnabon is an example of a company that has phished for a long time and found many phools to buy its product. Moreover, it is an example of how "the free market system exploits our weaknesses" (p. 3). There is good reason to believe that the choices made by Cinnabon's customers are not choices that are in their best interests, certainly not from a health perspective. It can be argued that customers who buy Cinnabons, at least if they buy them with any regularity, are being taken advantage of. Besides being unhealthy, consuming Cinnabons is ignorant, immoderate, likely adds to one's suffering, and thereby takes away from one's well-being. Eating Cinnabons is an example of consumption that provides artificial value, the type of consumption that takes away from one's well-being. Of course, in the grand scheme of things, if consuming Cinnabons is your only deviation from your true preferences, it is not likely to have a great deal of negative impact on your well-being. The problem, of course, will be much greater if an individual's Cinnabon consumption is part of a person's overall unwise consumption of goods that lack true value. And the problem will be much worse for the Earth if a very large part of the Earth's population shares this unwise consumption pattern.

Consider the example of the obesity problem. Obesity in the United States is a chronic health problem that has grown rapidly in the last three or four decades. From the standpoint of health science, Mark Hyman (2006) and Gary Taubes (2007) find that obesity is caused by poor diet and behavioral patterns. Most notably, obesity is strongly associated with the consumption of foods that are high in refined, processed carbohydrates, high in bad fats, and low in fiber. Obesity is also associated with lack of exercise, eating too rapidly, and eating when stressed. To fully understand the causes of obesity, it is important to go beyond health science and consider the factors that influence an individual's choice of diet and life patterns. The important external factors include: 1) technological changes that impact markets causing changes in the prices of food and exercise, 2) the infrastructure of obesity, especially the behaviors of various suppliers of processed food, and 3) socio-economic factors contributing to chronic stress in individuals. The important internal factors include individual endowments of: 1) personal capital, 2) social capital, and 3) health capital.

"The essence of the argument is that obesity tends to occur when vulnerable individuals who have low personal capital, low social capital, and low health capital ... encounter stressful situations, lower prices of unhealthy food and higher prices of exercise, ... and the large and growing infrastructure of obesity" (Tomer, 2013, pp. 88-89).

People vulnerable to obesity find it hard to make wise food choices. All too often, they crave non-nutritious foods providing artificial value which overwhelms any desire they may have for

foods with true value. Quite clearly, many of these consumers do not reflect intelligently on their food and exercise choices. It usually does not take long for suppliers of processed foods and fast food to recognize this consumer vulnerability. These businesses have then taken advantage of such ignorant and unsophisticated customers by supplying foods that are tasty and attractively marketed but are habit forming even addictive and have little nutritional value. The food suppliers who have taken advantage of these unwise consumers often have been very successful in the sense of making very substantial profits. For the most part, however, they have not seemed concerned with the health and well-being of their customers.

Consider the kind of dysfunction that typically takes place in the food markets of the advanced Western economies where the obesity problem is particularly prominent. In these food markets, many consumers are not sovereign with respect to food businesses. This means that although these consumers may be able to get what they actually prefer from food businesses, they are not able to get the nutritious food that they truly prefer. That is, they are not able to satisfy the food preferences they would have if they were perfectly informed and mindful. This market failure involves what I refer to as socio-economic dysfunction. At the heart of this dysfunction is the unwise, opportunistic, self-interested, greedy behavior of food businesses. The unwise, ignorant behavior of food consumers is, of course, also a significant factor in the market failure. What is needed in these food markets is socially responsible business behavior. Unless businesses behave better in the sense of being concerned with their customers' true well-being, a solution to the food market's dysfunction is unlikely to be realized. It should be noted that there is reason to believe that reliance on mainstream economic analysis, which is exclusively preoccupied with self-interested, maximizing motivation, will not be helpful in finding a solution. As a consequence, economists in many Western economies that rely on mainstream economics may struggle in vain to analyze and subsequently resolve their problematic obesity situations.

Climate change is perhaps the most important example of market dysfunction; it is a biophysical dysfunction. As many people understand, the climate change problem has come into being because of the growing scale of the Earth's economic activity. The growth in economic activities has been accompanied by a very rapid rise in the use of fossil fuel energy. That in turn has led to rising emissions into the atmosphere of greenhouse gases such as carbon dioxide, methane, and nitrous oxides. A great deal of evidence indicates that the impact of these events is causing "unprecedented disturbance of the critical life support systems of the Earth in terms of its rapidity and geographical extent. This outcome is widely accepted as entailing significant risk of severe distress upon human and other life on the planet" (Daniels, 2010, Part 1, p. 953).

In early years, as economic activities grew, the increased output was primarily devoted to meeting people's basic physiological needs. Later growth, however, has increasingly involved not only satisfying ever-expanding human wants, but growing consumption of fossil fuels, and rapidly changing technology (Daniels, 2010, Part 1, p. 953). Besides the growth in relatively tangible inputs, changes in people's beliefs, values, ethics, goals, wants, needs, intent, and choices are having an increasingly strong influence on the environmental outcomes (p. 953). Important in this respect are changing patterns of consumption, especially those related to the changing lifestyles associated with growing affluence. These are the "deeper underlying drivers behind human activities that generate greenhouse gas emissions" (p. 956).

The great concern about climate change is that the factors fueling it are continuing to grow, making the predicted impact ever larger and more uncertain. Why can't we stop the alarming

path of climate change from threateningly people on the Earth? Buddhism's second noble truth helps us understand the heart of the matter. The essence is that people, especially people in advanced Western countries, have very strong desires for the material benefits deriving from their economies. People are attached to and clinging to these external worldly phenomena, not only in the form of goods but also in the form of social and economic roles and status. They believe that the growing consumption of these kinds of things is an inherent part of their life path, a path that will bring them sustained and consummate satisfaction or happiness (Daniels, 2010, Part 1, p. 957). Unfortunately, "people do not seem to realize and learn that this attachment-seeking does not bring the desired results" (p. 957). These kinds of satisfaction ultimately tend to disappoint. When that happens, people attempt to find other sources, other goods (or greater quantities of goods and worldly experiences), to attain satisfaction of their desires. The greater economic activity required to produce satisfaction of these increasing desires makes the environmental impact of climate change even greater. It is an unsustainable situation. There has become an eternal gap between the magnitude of people's desires/wants and the biophysical ability of the Earth to provide what people are craving (p. 957). Therefore, climate change and other negative environmental impacts are likely to grow continually worse unless people can overcome the striving and craving that are associated with the behavioral and thought patterns inherent in the world views of Western economies and the conceptual perspectives associated with mainstream economics.

How Buddhist economics is essential to overcoming dysfunctions

The heart of the matter

Thich Nhat Hanh said it very directly:

"If we continue abusing the Earth this way, there is no doubt that our civilization will be destroyed. This turnaround takes enlightenment, awakening. The Buddha attained individual awakening. Now we need a collective enlightenment to stop this course of destruction. Civilization is going to end if we continue to drown in the competition for power, fame, sex, and profit" (Loy and Stanley, 2009, p. 3).

The basic argument here is that if modern Western economies were to replace their present world views and adopt the world view embodied in Buddhist teachings, that would go far to eliminate a great deal of the biophysical and socio-economic dysfunctioning of these economies. In the view of David Loy and John Stanley (2009, p.8), "New technologies alone cannot save us without a new world view, one that replaces our present emphasis on never-ending economic and technological growth with a focus on healing the relationship between our species and the Earth." There are important reasons to believe that human behavioral patterns consistent with the perspectives of mainstream economics are in large part the cause of many of these problems and that adopting the Buddhist world view along with its perspectives, values, and ethics would lead to better behavioral patterns. Arguably this would go far toward eliminating much of the biophysical and socio-economic dysfunction.

Before providing more explanation about the role of Buddhist economics, let's be clear about what introducing Buddhist economics is not. It is not the same as changing the structure of an economic system such as when a socialist economic system is transformed into a capitalist system. In that kind of transformation, system specific attributes such as the ownership of the

means of production are changed. When these kinds of changes are made, it is expected that the changed structure will “influence deeply the realities of society, politics, the economy, culture, and daily life” (Kornai, 2000, pp. 28-29). There are, however, some similarities between introducing Buddhist economics and changing the structure of the economy. Both kinds of changes are expected to change the pertinent socio-economic realities of society, and therefore, to produce different, presumably better, socio-economic functioning. These two kinds of changes do this in very different ways. It should also be noted that Buddhist economics is not about practical, mundane, nuts and bolts matters such as introducing tax and budgeting changes or interest rate and monetary changes.

How replacing the world views of Western economies with the Buddhist world view is key to overcoming market dysfunctions

Let's return to the main reasons for the dysfunctions that contribute to the failure of markets in Western economies and consider how such situations could be dramatically improved if people's behavior and intentions in these markets were in accord with fundamental Buddhist teachings. First consider the all too common scenario in which the market activity of business people is characterized by negatively opportunistic, excessively self-interested behavior that is oriented to gaining advantage at the expense of consumers. According to Akerlof and Shiller (2015, pp. 1-2), this all too familiar type of behavior is considered to be the normal state of affairs in Western markets. This behavior, however, is explicitly counter to the values, ethics, and precepts of Buddhism. Buddhist precepts clearly state that any form of lying or stealing is wrong (see the five precepts of Buddhism (Nhat Hanh, 1991, p. 155)). Further, Buddhism teaches that any person, in business or not, can develop wisdom and find paths to improve themselves and live in harmony with others. Doing this involves following the eight paths in the teaching known as the Noble Eightfold Path. Among these paths is right livelihood. “To practice right livelihood ... you have to find a way to earn your living without transgressing your ideals of love and compassion” (Nhat Hanh, 1998, p. 104). The seven other right paths are: Right View, Right Thinking, Right Speech, Right Action, Right Diligence, Right Concentration, and Right Mindfulness. All these paths provide teachings regarding how a person can behave with wisdom and mindfulness in all areas of life including people's roles in markets as buyers or sellers.

As explained earlier, the second important aspect that contributes to the market dysfunctions of Western economies is the ignorant behavior of consumers. Too often, people's consumption of goods is guided by their strong compulsive desires, not intelligent reflection on what will contribute to their true well-being. Such consumption patterns are unwise in that they are generally immoderate and not in line with people's true preferences. According to Buddhism's second noble truth, this behavior inevitably leads to suffering. To overcome this suffering, one must follow the Noble Eightfold Path. Only when people learn to consume mindfully will it be possible to eliminate the excessive, unwise consumption that contributes not only to individual suffering but to the suffering associated with unsustainable use of the Earth's resources.

Let's return to the problem of obesity. As indicated earlier, at the heart of the obesity problem is the behavior of opportunistic, overly self-interested food businesses that have taken advantage of vulnerable unsophisticated consumers. In Western economies guided by the values and perspectives of mainstream economics, it is not surprising that food businesses have generally conformed to exploitive modes of behavior rather than adopting socially

responsible behavior. If, instead of the typical pattern of modern Western economies, the Buddhist world view were to be adopted, it would arguably lead to very different behavior in the realms of business and economics. Business behavior could then be guided by the Buddhist precepts against lying and stealing, by the practice of right livelihood, and by the seven other right paths (particularly the practice of mindfulness). Such food businesses would be socially responsible and would be attempting to produce and market food in line with people's true preferences. If that were the case, it seems that there would be no possibility for the obesity problem to have become such a large and threatening factor for the Western economies of the world. Note that although the obesity problem has been singled out here, there are quite a few other significant socio-economic problems that are caused by very similar factors. Notable in this context are the problems associated with chronic non-communicable diseases such as diabetes, cardiovascular disease, hypertension, stroke, and various forms of cancer, which have grown rapidly, particularly in industrialized nations that have experienced substantial economic growth. There are reasons to believe that the key cause of these problems is not industrialization (or economic growth) *per se* but the lack of the kinds of ethical behavior and wisdom that are the part and parcel of Buddhist teachings. That is why replacing the world views of Western economies by the world view of Buddhism is a key to overcoming these kinds of socio-economic dysfunctions.

Now let's return to the climate change problem. As indicated earlier, at the heart of the climate change problem is the large growth in economic activity required to produce the goods needed to satisfy people's continually expanding wants. It is clear that people in modern industrialized Western economies have become overly attached to attaining satisfaction from their consumer oriented lifestyles, lifestyles that generally provide too little true well-being. To deal with this, it would help if Western economies were to adopt the Buddhist world view (along with important Buddhist teachings). The essential idea is that the strong Buddhist influence will lead these economies to utilize more sustainable and ethical business and economic practices. Note that in contrast to this, what is unlikely to work is simple reliance on piecemeal and incremental policy moves such as adopting emission trading (or price changes). The latter lack the necessary fundamental sociocultural, economic and technological qualities that would be required for a fully sustainable solution (Daniels, 2010, Part 2, p. 962).

Essentially the desired purpose of introducing a strong Buddhist influence is to create a thriving world (Raworth, 2017, p. 198). Another way to look at it is that the goal of Buddhist economics is to "maximize [the economies'] well-being with minimum consumption and nature impact" (Daniels, 2010, Part 2, p. 970). The Buddhist world view helps by influencing the form that economic development takes, thereby making development much more sustainable. Sustainable economic development is that which not only meets the current needs of people but which does not jeopardize the needs of future generations by contributing to systematic deterioration of the Earth's capacity (Magnuson, 2017, p. 179). Moreover, sustainable development is about biosphere stewardship; this is understood to be the kind of leadership that is responsible for leaving the world in a better state than it was (Raworth, 2017, p. 185).

Sustainable development is by nature generous; it gives back to the living systems of which we are a part (Raworth, 2017, p. 185). It is generous (an important Buddhist value) because it emphasizes creating enterprises that are designed to be regenerative. Regenerative enterprises "mimic life's cyclical processes ... in which one creature's waste becomes another's food" (p. 186). In this kind of economy, "the leftovers from one production process—be they food scraps or scrap metal—become the source materials for the next" (p. 187).

There are two kinds of regenerative processes or cycles. One involves “biological nutrients such as soil, plants and animals”; the other involves “technical nutrients such as plastics, synthetics and metals” (p. 187). These “materials are never ‘used up’ and thrown away but are used again and again” (p. 187). Biological nutrients are regenerated by processes that capture the value at each stage of decomposition, and technical nutrients are restored through repair, reuse, refurbish, and recycle processes (p. 188). The Buddhist world view encourages production processes that are regenerative, and thus, in accord with nature. This is in contrast to the degenerative industrial processes of contemporary industrial economies of the West that emphasize maximizing monetary values and the intensity of material throughflow.

If the world’s economies were to adopt a Buddhist world view, it would no doubt lead to an evolutionary process involving systematic institutional change (Magnuson, 2017, p. 62). There is reason to believe that societies based on Buddhist teachings would develop stable, accountable, creative, community oriented, democratic institutions that contribute to people’s true well-being (pp. 65, 112). In Magnuson’s view, Buddhist values would lead to the creation of small scale cooperative enterprise and alternative monetary institutions (pp. 101-102). According to Daniels (2010, Part 2, p. 966), drawing on Buddhist wisdom would create an “effective [societal] path [that] lies between the extremes of hedonistic self-indulgence and sensual pleasure, and excessive self-mortification or asceticism.”

Daniels (2010, Part 2, pp. 967-970) provides an interesting illustrative list of more specific outcomes that could be expected in societies that adopt Buddhist economics. Below is a partial list of these outcomes:

- 1) “undertake research into conditions and outcomes that actually make people and society ‘happier’ ... This is a matter of identifying and revealing people’s true preferences;
- 2) design effective strategies to
 - a) shift behavior and choices to reduce the absolute and relative size of ‘harmful’ consumption and
 - b) promote eco-efficient technological change to reduce environmental and societal disruption or harm in ... [important] production and consumption sectors;
- 3) devise strategies that aim to reduce private car transportation ... and implement low fossil carbon integrated alternatives;
- 4) change energy intensive leisure ... towards activity which has lower energy needs;
- 5) change diet or nutrition choices away from livestock-based production ... towards vegetarian produce;
- 6) adjust market prices to incorporate the full interdependence costs and benefits of production and consumption;
- 7) encourage socially productive enterprises that produce ‘compassion’ or positive ‘interdependence’ goods and services; and
- 8) provide basic goods such as food and shelter to impoverished [people]” (pp. 967-970).

Note that although climate change is the particular type of biophysical dysfunction analyzed here, the earth is now suffering from quite a few other biophysical problems. Among these are ocean acidification, ozone layer depletion, chemical pollution, air pollution, biodiversity loss,

land conversion, nitrogen and phosphorus loading, and freshwater withdrawals (Raworth 2017, pp. 38-44). These other types of biophysical dysfunction are to differing degrees caused by many of the same factors as climate change.

Conclusion

Buddhist economics embodies a world view that is very different from the world views of Western economies. The world views of the latter are largely based on the tenets of mainstream economics. Every society has a particular world view that reflects their people's values, especially their values concerning how their economies should function. The functioning of all economies needs to be built on an explicit set of values related to the society's economic goals. The world views associated with Western or modern capitalist economies are typically narrowly oriented and emphasize growth of output. The world view of Buddhist economics, on the other hand, emphasizes a very broad view of what contributes to well-being. It emphasizes the ideal relationships that humans can develop with each other and with nature. This paper has analyzed and outlined why a society adopting Buddhist economics can be expected to experience much less socio-economic and biophysical dysfunction than conventionally oriented capitalist societies. Relatedly, note that in contrast to Western economies, Buddhism teaches that economic activity should be a means to a good and noble life, not an end.

Human activities are increasingly having massive negative consequences for both the biosphere and socio-economic relationships. Climate change is a prominent example of biophysical dysfunction, and obesity is an important example of socio-economic dysfunction. The world view and orientation of mainstream economics does little to help us understand the causes of these large dysfunctions, nor to understand what is necessary to resolve them. Mainstream economics does not provide key insights into the socio-economic causes of the market failures involved. For example, it provides little appreciation of the tendency of businesses to be excessively self-interested, opportunistic, and exploitive in its relationships with consumers and others. The idea that businesses might embrace social responsibility and attempt to serve people's true preferences rather their actual preferences is foreign to mainstream economics. Mainstream economics also does not help us understand the excessive growth of the Earth's economic activity and the excessive use of fossil fuel energy. Further, it does not mention that consumers' ignorance and inability to find satisfaction with their consumption are principal factors in contemporary biophysical dysfunction.

Because important, large scale dysfunctions such as climate change and obesity have been largely outside the scope of mainstream economics, the types of analysis most suitable for understanding them have not been developed. It follows that mainstream economists are unlikely to propose viable solutions for these dysfunctions. It turns out that many of the answers can be found by turning to the wisdom embodied in Buddhism. As Thich Nhat Hanh has stated, what is needed is a collective enlightenment. We need to draw on Buddhist teachings such as the Four Noble Truths and the Noble Eightfold Path. These teachings can help us understand why dishonest businesses that are not concerned with the true well-being of its customers are part of the problem. It will also help us understand that ignorant, compulsive consumer behavior is an integral part of the dysfunctions. Ideally, people ought to consume mindfully and moderately, using intelligent reflection on their choices in order that their consumption contributes to their true well-being. If a society were to adopt Buddhist economics, and if people and businesses were to behave in accord with the ideals articulated

in Buddhist teachings, there is good reason to believe that the result would be sustainable use of the Earth's resources and that both biophysical and socio-economic dysfunctions will be avoided or resolved. Clearly, we need Buddhist economics.

This paper has focused on what is needed and why. As some readers may discern, this paper has not focused on a number of more practical concerns. Readers may ask: 1) What might lead to or instigate the desired changes in socio-economic values?; 2) Have leading Buddhists given thought to the nature of the desired socio-economic change processes?; 3) Are there ways in which policy makers and others can be persuaded to change their thinking and values?; 4) Is there any evidence that supports the contention that Buddhist economics would have the efficacy that theory claims?; and 5) Can we find exemplars of change stimulated by Buddhist economics? These are no doubt important questions. However, I have considered them to be outside the scope of the present paper. Nevertheless, I (and perhaps others) plan to focus attention in the future on answering some of these questions. My hope in writing this paper has been to point to the nature of the problem and the theoretical solution, not to practical how-to matters. Hopefully though, many others (not just authors) will eventually figure out how to do all the things that need doing. We should not, however, delude ourselves that it will be possible to make dramatic progress in combatting biophysical and socio-economic dysfunctions without making fundamental changes in people's world views, values, and insights. Doing these things will not be easy or rapid; it is the work of lifetimes.

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