CHAPTER II

BUDDHIST ECONOMICS AND THE THAI TEMPLE

2.1 Buddhist Economic Theory

There are many schools of Buddhist thought and innumerable forms of teaching and practice; however, among these variations are certain principles commonly accepted by scholars, theologians and laymen. A major principle of Buddhism is that it is considered non-theistic in that the Buddha is a teacher not a god. In the Theravada school of Buddhism, there is a common belief that the individual is solely responsible for his or her own salvation without intervention from a supernatural power, corresponding to a scientific concept and methodology. Also inherent in Buddhist teaching is the idea of suffering as a condition central to all human beings, and the idea of detachment from worldly desires. The doctrine of the Four Noble Truths is the Buddha's diagnosis and remedy for the treatment of suffering and the attainment of true happiness. The fourth of these truths sets out a course of action to end suffering, and help people to solve their problems and find enlightenment. This course of action is known as the Eightfold Path.

The key to understanding the foundations of Buddhist economics is to comprehend the position and role of well-being derived from material possessions in the "practice" of Buddhism. Many Buddhists concede that there is a need for production and consumption, and accept that this involves capitalist processes. At the same time, Buddhism challenges the individual (and society as a whole) to put these processes in the context of Buddhist values, including, for example, the ideas of Right Thought, Action and Livelihood. Most importantly, economic well-being is seen within the concept of Buddhism as being significantly influential in achieving spiritual advancement, as Louis van Loon points out in his essay entitled "Why the Buddha did not preach to a Hungry Man" (1990). Whereas modernist thinkers view all pre-capitalist values as instrumental to economic growth or societal devastation, Buddhist economics supports the view that

economic development must agree with Buddhist values in order to be effective in achieving the state of nirvana.

Over the years, Buddhism has been criticized for the way it has changed. An argument much debated is whether Buddhism should continue adapting to match the pace, needs and demands of a rapidly modernizing society. Buddhism cannot totally remain detached from the material aspect of living, since monetary concerns are necessary for the religion to provide service to the community and for its own survival. This is why most temples have lay members to handle the financial affairs, but in some cases where there are none it is the monks themselves who manage the financial affairs.

Buddhism has also been criticized for its lack of social ethics because it is primarily concerned with personal salvation; however, greater understanding of the Buddhist principles shows that they can be interpreted and applied to a social ethical theory. Thai society over the years has changed dramatically and so has Buddhism. There is a connection between societal changes and religious changes.

In S*mall is Beautiful*, author E.F. Schumacher asserts that the fifth step of the Eightfold Path, Right Livelihood, is a step designed to help people to engage in economics from a Buddhist perspective that calls for an examination of ethics in relation to economic activity. Though modern economists tend to view economics as a hard, data-driven science studied and practiced for the purpose of raising productivity and increasing material well-being, Schumacher describes Buddhist economics as "the right path of development, the Middle Way between materialist heedlessness and traditionalist immobility" (Schumacher, 1973, 66.) The purpose of Buddhist Economics would be more in line with some of its basic principles, such as the idea that worldly desire for material things will not bring lasting happiness, and the idea of non-violence as a strong value that guides economic decisions, all principles with the objective of maintaining the well-being of the individual, the society and the environment.

According to Schumacher, it is greed, attachment, desire and craving that stand in the way of the spiritual well-being of man. It follows, then, that he points to simplicity and non-violence as the keynotes of Buddhist economics. To the modern economist,

schooled in capitalism and acquisition, the measure of well-being is often related to one's standard of living, which is often measured by his consumption. This relies on the assumption that one who consumes more enjoys better well-being than one who consumes less. In Buddhist economics, the goal is to use minimal resources and minimal consumption to gain maximum well-being. (Schumacher, 1968)

Though productivity which leads to consumption is emphasized as a goal of modern economics, this perspective also values leisure time tremendously and considers leisure preferable to work. However, from a Buddhist economics perspective, this way of thinking ignores the basic human truth that work and play are complementary parts of a whole. Work, when seen as a Right livelihood, allows a person to make full use of his or her faculties and to engage in self-development and growth. It builds character. It also encourages a spirit of community by enabling one to engage with others in common tasks. This helps to deflate the ego and a self-centered attitude. Finally, work gives one the goods and services necessary for living comfortably. Leisure time is equally necessary. As Schumacher says, "Work and leisure are complementary parts of the same living process and cannot be separated without destroying the joy of work and the bliss of leisure" (Schumacher, 1968, 1).

Right livelihood was defined by Buddhist practitioner, financier, and development practitioner, Sander G. Tideman, in a paper presented to a forum with leaders and scholars from Bhutan as follows:

"One should abstain from making one's living through a profession that brings harm to others, such as trading in arms and lethal weapons, intoxicating drinks, poisons, killing animals, cheating etc., and one should live by a profession which is honorable, blameless and innocent of harm to others." (Tideman, 2001, 1)

Tideman maintains that wealth and material acquisition, themselves, are not the evil. In fact, a person's excess allows him or her to give generously to others, creates merit, and generates goodwill in society. A Buddhist engaged in Right Livelihood would try to live productively. Material gain would be attained lawfully and then used or distributed for the good of all. A detachment from material things allows for a cheerful

state of mind. Deeds of merit and other "right" uses of one's wealth that are free from the constraints of greed and desire will lead to spiritual freedom. Therefore, it is this "right" way of engaging in economics that cultivates Buddhist values of insight, compassion, detachment and tolerance. This path results in spiritual well-being and happiness to individuals, and in turn, to society and the environment (Tideman, 2001).

The foremost Buddhist scholar of Thailand is universally acknowledged as Venerable P. A. Payutto, who wrote *Buddhadhamma,* a book of over one thousand pages that gives full expression to the Buddha's teachings. Payutto also wrote a paper entitled *Buddhist Economics: a Middle Way for the Market Place*, which conveys his interpretation of the Buddha's perspective on economics, and how that perspective relates to economics in the modern world.

Western economic theory, asserts Payutto (1994), is a very narrow discipline. It isolates itself from other disciplines, or the larger picture of human activity. It does not consider the effects of a market-driven economy on society or the environment. It does not consider the ethical course of action when economic decisions seem to create problems in people's lives or in the environment. It only seeks to maximize profit, though this often takes a heavy toll on various people, populations and the environment. Payutto suggests that this narrow view of economics may indeed be the primary cause of the world's most pressing social and environmental problems.

Science strives for objectivity, says Payutto, and therefore excludes any close examination of subjective values such as ethics. When problems are seen through this narrow lens, and ethical consequences of economic activity are not taken into consideration, the solutions for such consequences are equally narrow and one-sided. There is not an acknowledgement that human problems are interrelated and therefore require interdisciplinary solutions, and so the problems multiply.

The Buddha teaches that right actions will result in good and wrong action will create bad results. The natural flow of events corresponds to ethical choices that we make. These choices "contribute to the causes and conditions that determine who we are, the kind of society we live in and the condition of our environment" (Payutto, 1994, 6).

There are certain arguments that social action and change must seek to achieve spiritual transformations, and so bring forward both compassion and wisdom in people's social relationships, and also in their relationships to themselves and nature (Batchelor & Brown, 1992). Buddhist economics requires one to move beyond an analysis that focuses only on formal aspects of social relationships. One must look at the immediate terms of the relationships being considered, which may include aspects such as empathy and receptivity. The true Buddhists must exhibit authentic concern in their society.

Buddhism also encourages social activism and states that it is integrally related to spiritual cultivation (Sivaraksa, 1991). It should be noted that the argument also calls for high ethical standards in the government, as this is important to the welfare of a Buddhist society. Buddhists should be aware of the social issues that pervade and plague their society. These ills must all be removed in order to attain a certain state of *nirvana* (enlightenment), which is the goal of all Buddhists.

In Buddhism, there is a strong belief in the interrelatedness of all living things. The concept of cause and effect can be applied to every aspect of life, including economics. For example, when governments decide to sell vast amounts of forest acreage, they must build roads to carry away the timber. Dynamite used to build mountain roads disrupts the water tables. Water is lost, crops suffer, and the people who sell and eat crops suffer. The forces of cause and effect will also eventually erode the soil in the deforested places so that water slides off mountainsides and creates havoc below, even the surrounding climate is affected, and land that was once arable can no longer be cultivated. Economists do not consider these related consequences to the economic decisions that governments and corporations make that affect individuals, society and the environment. As Payutto says, "Economics is grossly out of touch with the whole stream of causes and conditions that constitute reality" (Payutto, 1994, 3).

The Buddha also taught that life is fulfilled by karma, and breaking parts of that cycle will erode life itself. Karma brings us back what we have given. From a Buddhist point of view, one's motivation is always a central consideration. The same action could have many different karmic implications, depending upon motivation. At present, much

research and development are initiated due to the desire for more profit. Greed outweighs desire for well-being as a motivator. An example of this is the fact that the ill-distribution of wealth, rather than a lack of food, has become the cause of hunger in the world. A desire to feed the world is often claimed to be the motivation of the biotechnology industry to pursue research and development in that area. Increasingly, however, there are indications that the real motivation stems from a desire for increased monetary gain and control of trade in agricultural products.

Therefore, Payutto describes Buddhist Economics as "not so much a self-contained science, but one of a number of interdependent disciplines working in concert toward the common goal of social, individual and environmental well-being" (Payutto, 1994, 2). He agrees with Schumacher's assessment that Right Livelihood requires a Buddhist approach to economics and goes on to say that "Buddhist economists would not only consider the ethical values of economic activity, but also strive to understand reality and direct economic activity to be in harmony with 'the way things are' " (Payutto, 1994, 4). This 'way things are' refers directly to the reality of the natural, interrelated flow of cause and effect. Furthermore, "Buddhist economics would investigate how a given economic activity affects the three interconnected spheres of human existence; the individual, society, and nature or the environment" (Payutto, 1994, 5).

Some Buddhists hold that any appropriate *dhammic* action inevitably leads to an increase of the material welfare of the community (Pryor, 1990). This means that in order to properly enact the precepts of Gautama Buddha, material wealth and possession must be increased. Buddhists can only alleviate the suffering of their community if their lives have improved as well and if they have the means to help others. But this idea leads to a conflict with staunch Buddhists who believe material possessions or worldly gain causes the unnecessary evil of greed.

Both Buddhism and modern economics lay claim to the ability to maximize social benefit. A comparison can be made between a rational Buddhist and an economist who tries to generate the optimum of a welfare model. The economist who tries to maximize social welfare is similar to the Buddhist who endeavors to maximize right livelihood and

right action which leads to beneficial results for self, society and nature. However, there are differences between the respective end goals of each. The basic model of modern economic activity is conceptualized as unlimited wants, scarcity, choice, and an opportunity cost, and the final goal is maximum satisfaction. The fundamental concepts occurring in this model -- want, choice, consumption and satisfaction -- describe the basic activities of our lives from an economic perspective. These concepts are based on assumptions about human nature, in particular, the assumption that the more one is able to consume, the happier he or she will be. The Buddhist economic model emphasizes spiritual happiness and well-being as the end goal, which is achieved through detachment to worldly desires and following a path of right thought, speech, and actions.

Modern economics emphasizes value, consumption, production, and competition. A commodity's true value is typically overshadowed by its artificial value – its capacity to satisfy the desire for pleasure. For example, a luxury car may serve the same function as a cheaper car, but it can be sold at higher price because of its artificial value. Conversely, the Buddhist perspective views a commodity's true value based on its ability to meet the need for well-being – fulfilling basics need of life and attaining spiritual enlightenment.

While demand in modern economics results in consumption, which theoretically leads to satisfaction, most economists do not need to know what happens afterwards, even when the end result of consumption creates external costs or harm to society. Recklessly indulging in desires with no regard to the repercussions often leads to harmful effects and a loss of true well-being for the individual, society and the environment. On the other hand, Buddhist economics focuses on the true purpose of consumption, providing well-being, while adhering to principles of ethics, compassion, detachment and non-violence.

In the modern economic system, input factors employed to produce a certain product are considered a cost of industry, and the impact on external factors or on society is often overlooked. The objective of production is to minimize cost while maximizing profit for the life cycle of a product. Buddhist economics contemplates another side of the

spectrum; production entails the creation of a new state by the destruction of an old one. Thus production is always accompanied by destruction. However, profit maximizing of one product might impose an immeasurable burden on society. For example, a person who produces very little, at the same time consumes much less of the world's resources and gives generously of the remaining resources to other needy people. The one who voraciously consumes large amounts of the world's resources while manufacturing goods has a more harmful effect on society.

Modern economics is based on the assumption that human nature leads to competition. The concept of perfect competition is praised by modern economics due to the conviction that competition is necessary to attain the most beneficial outcome. Buddhism, on the other hand, believes that human beings are capable of both competition and cooperation. True cooperation arises with the desire for well-being. Buddhist economics shifts our energies from competition towards cooperative efforts to solve the problems facing the world.

Buddhist economics is now subject to further scrutiny because staunchly traditional Buddhists believe that the principles of Gautama Buddha state that no amount of connection or attachment must be established in the material world. Staunch Buddhists believe that worldly attachments are an unnecessary evil. Those who yearn for them cause suffering to the society. There are calls to study and explore the original texts of Gautama Buddha in relation to economics and societal ethics but this idea has certain limitations. Studying the principles has to take into account the understanding of the concept and at the same time consider the current societal situation. It is important to note which principles are applicable considering the context of today's society (Zadek, 1993).

2.2 The Thai Buddhist Temple as an Economic Unit

Buddhist temples work to embody the essence of Buddhist teaching. This is described in the Noble Eightfold Path, which is also referred to as the Middle Way. Buddha, who experienced the two states in extreme, realized that anything in excess causes suffering: 1) excessive greed or attachment to material wealth and accumulation of

it leads to suffering, and 2) extreme forms of asceticism and personal deprivation lead to human suffering.

This Noble Eightfold Path can be reflected in the Buddhist wat as well. The first state alludes to the abundantly wealthy who indulge in luxuries and seek a peaceful and happy state of mind through human and environmental sacrifice. The second refers to those who subject themselves to unnecessary hardships, pushing themselves over their limit, causing themselves to suffer greatly.

As each person, the Thai wat must find a middle path to existence, one that is beneficial to society and sustainable unto itself. The Thai Buddhist temple has always been dependent on the wat's community in one way or another. Over time the nature of this dependence has changed to fit the changes in Thai society. Traditionally, the wat was such an intertwined part of Thai society that it became a necessary component to social mobility. The royal family, elite residents and even commoners who could afford it would build or restore wats. This would serve to further social standing as new contacts were established and social ties were built or strengthened.

In his doctoral dissertation, *Urbanism and Religion: Community Hierarchy and Sanctity in Urban Thai Buddhist Temples*, Richard O'Connor offers a clear picture of the economic structure of wats over time. The traditional support of the wat came directly from the community. It was through this direct patronage or lack thereof that a wat's long term success was determined; however, most of the time a monetary exchange did not define this relationship. Instead, wat and local community used an informal system of exchange and cooperation. For example, local merchants would use part of the wat compound as storage, in return the wat would receive favors and support which could range from running errands to building a needed compound. This system of exchange supported the wat and provided benefits for the community.

Founding a new wat represented the ideal convergence of sanctity and community whereas abandonment of a wat meant the exact opposite. This interplay of sanctity and community measured the prosperity and decline of wats. The wat was to be supported by the key family involved in its creation or reconstruction. This relationship helped define,

and in turn was defined, by the community. However, if and when future generations failed to continue to support the wat, responsibility of wat support fell into the hands of the local community. Monks and lay persons had to assume the organizational duties on behalf of the wat to ensure prosperity.

Abbots are pivotal in the relationship of sanctity and community. It was through the abbot's ability to mobilize manpower and harness the support of the community that a wat could prosper. However, because the wat was mainly dependent on the patronage of an elite family, and to some extent the local community, prosperity became analogous to expansion. Elite patrons were responsible for the repairs and renovations of the wat. As the wat grew in social status, it would attract more students and patrons, which required expansion. Annual holidays and festivals were usually hosted by the wat and required financial support. Ultimately, this sort of unchecked expansion meant increased complexity and over-burdened financial and social resources, which, combined with the occasional loss of social ties due to death, political realignment, or misfortune, resulted in decay.

This traditional interchange between sanctity and community gives a clear understanding of the life cycle of the traditional wat: social ideals and political necessity fueled expansion resulting in decay from lost social connections and lack of resources. In short, the wat did not have a mechanism for self-preservation. Buddhism taught the inevitability of decay, which made the wat life cycle acceptable. Wat rise and fall could be attributed to a pool of merit that was employed until exhaustion. In the case of the King and the royal family, the demise of a wat had more serious implications on the merit, and therefore rightful place of the King.

It may be because of these implications or simply because of the perceived need that King Chulalongkorn, among other reforms, advocated construction of shop houses and rental units on wat land as a source of permanent income. Temple abbots have traditionally been and continue to be forbidden from taking part in monetary transactions. For this reason a layperson was usually given responsibility to collect and manage rented land. Wats usually collected very low rent for the land they let out to others. For

example, O'Connor shows how Wat *In* was collecting 50,000 baht annually for land which developers were subletting at 1,200,000 baht. In keeping with benevolence and compassion taught by Buddhism, wat rents rarely increase, informal rights of tenants are respected, and development projects are postponed when they may displace local residents.

Initially, traditional social ties were not severely affected by this change in "management style." The abbot or lay representative still maintained control over the wat resources, so much so that these resources were employed to serve the wat ends, its support usually a foremost priority. This is shown in old records of donations received for temple projects. Temple abbots were recorded as primary contributors to the purchase of Buddha statues, renovations, school construction, etc.

Unfortunately, this formal system turned out to have a flaw. Many 'supporters' began to neglect their responsibility to the wat and use 'their' land as they saw fit. Shop keepers took more and more liberties without formal permission because 'the land would not otherwise be used.' Annual contributions became less and less generous at the loss of the wat. Passive abbots felt powerless to forbid this neglect and defend against lay encroachment. King Chulalongkorn, in an attempt to combine the traditional with the modern methods of wat patronage, granted official honors to lay leaders of the wat. The intention was to encourage elites to continue support of the wat, while at the same time giving the wat independence and self-sufficiency to prevent its demise.

This situation created a new set of unanticipated problems. 'Absentee patronage' from an elite household outside the local community sometimes created conflict with local support. In the past, when the wat or abbot lost favor with the community, support would dwindle until the social ties were mended by a new abbot or other necessary change was made. Absent patrons have little to no social ties to the community, thereby allowing an abbot or wat to remain prominent in a community without direct responsibility to that community. Absent patrons and even the royal family, at times would appoint abbots to specific wats. Appointed abbots, again lacking social ties to the community, would not always be welcomingly received at their new wat. Such conflicts

would discourage community support of the wat, resulting in the demise of the wat or the transfer of the abbot.

Over time, temple abbots came to prefer the security and discipline of government officials to the unpredictability and possible abuses of lay managers. Government support insured the long-term existence of the wat by taking responsibility for rented lands and redistributing income to temples as needed. These administrative controls have decreased personal control over wat resources in an attempt to stem abuses. Unfortunately, it has had the unintentional effect of also stemming social obligations to the support of the wat. In sum, community cooperation and cohesion was nurtured by the direct control of income, only to be lost to impersonal government bureaucratization for fear of corruption.

Those who insisted on central control to improve the religion and remove corrupt practices may or may not have realized that the benefits of centralized control would come at a cost. Before, the community could have temple fairs, but now they were restricted, as the activities seemed frivolous to the centralized powers. Although the restrictions were intended to encourage change in people and with the monks, it was the regulations that brought true change. Edicts forbidding the use of curing and magical arts lessened the common people's sense of security in their religion.

Today governmental support has to a large extent replaced the noble and royal patronage once solely relied upon. It has become more common that local patrons focus their support on a particular monk instead of the wat to which he belongs. In other cases, patrons give the customary support to their local wat, but focus their merit making activities on upcountry monks or wats that are perceived as purer or where social ties already exist. (O'Connor, 1978)

In the past, patron and local laity determined the welfare of the wat. Today wats are self-supporting from rental income and government oversight. The wat conforms to the demands of the government, but loses social connections with the community, thereby losing local support. Traditional social bonds allowed the wat to benefit the community informally based on a benevolence-respect relationship. The modern

disciplined-respect relationship dissolves that relationship in exchange for guaranteed minimal support. This shows a major shift from manpower to rental income and government control.