

# **Buddhist Economics**

## **Demand and Decision Making**

**GLEN ALEXANDRIN**

### ***BUDDHIST ECONOMICS***

The key thing that the Buddha taught is the possibility and the desirability of enlightenment.

Enlightenment is a transcendental experience; it is a psychological-physiological series of states (13). It is an experience or an achievement of an individual, but at the same time it is a process—a path with dynamics of its own (8). Enlightenment in the former, static, one-pointed personalistic sense finds the individual in his religious or spiritual type of activity and has no economic dimensions. In the latter, dynamic sense, however, it does.

In the Buddhist tradition, experiences of enlightenment are to be followed by conscious meditation practice and by ethical activity, so that these experiences can be more deeply ingrained and of continuous benefit to the person himself and to society.

Identification with others is cultivated by Buddhists in meditations specifically devoted to the heightening of capacity for loving-kindness and the corollary virtues, compassion, joy in the joy of others, and impartiality (9;388).

Philip Kapleau, in *Zen in the West* (8), brings out the important practical point that the whole procedure of after-enlightenment practice is conditioned by the society, the economy, and all aspects of the individual's environment. The assumption of rebirth also brings goals for the future with personal concern: a task left undone here and now will be faced again under more difficult circumstances.

A Buddhist Economics, then, can be defined as that type of

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economics which stems from or keeps continuing the experience of enlightenment or that which provides a ground which sustains or contributes to enlightenment. Buddhist Economics defined in this way is as totally universal as it is totally individual: all the great religions recognize an experience of enlightenment and each individual experiences enlightenment as a point on the Path.

The importance of enlightenment to Buddhists has resulted, in their texts, in a naming and classifying of *nirvana*. Of the many, *Apratishthita* (without ceasing) *nirvana* is one type which has some relevance to our discussion here as it has its parallels in Western literature. It may be translated as "altruistic" or "dynamic" *nirvana*; it is a state of inner quietness and great outer activity. In Buddhism, this type of *nirvana* is a completely ethical concept (4;108) according to which the liberated person, no longer swayed by *samsara* (all that is of this world), continues to act for the good of all beings.

This type of activity for other beings is perfectly rational from the point of view of an enlightened individual. It is not only the only thing to do, it is *the* thing to do: the way to "hang out" while awaiting *parinirvana* (the final "exit").

The *raison d'etre* for Buddhist Economics is relating the experience of enlightenment to the facts of economy and expressing this experience in the science of economics. The experience of enlightenment, as we noted above, is a universal one, but internal and non-verbal. Some of its elements, however, often affect the economic behavior of individuals and the decisions of major and less important policymakers. A Buddhist Economics is thus a meta-economics which can provide the science of Economics with an ethical nuance.

In a way, it might be equally appropriate to talk about the Economics of Enlightenment or Transcendental Economics, but we have chosen to use Buddhist as an adjective because this adjective itself can be seen as universal. For the economist, it neither contradicts the teachings of other major philosophies or religions nor is laden with many popular or unpopular associations. Yet, it contains certain ethical and moral motivating forces, found in the Buddhist sources and scriptures, which may guide individuals in their behavior.

Some may argue that such an economics has a limited scope. But Buddhist Economics is also relevant in those economic situations in which people behave *as if* they are enlightened or are working hard

towards that objective, however they envision it, on their own. The world, with all its sentient beings, according to Buddhist doctrine, tends toward salvation or *nirvana* in the long run; all the activities we pursue bring us closer to that goal. A Buddhist Economics consistent with that doctrine would expedite this process.

### **USES OF BUDDHIST ECONOMICS**

Schumacher's book *Small is Beautiful* (15b) was a milestone in the West. It attracted the attention of some economists to the fact that the principles of the great Indian tradition do find creative and active expression in the contemporary world of economics.

In Sri Lanka the Sarvodaya Movement, inspired by modernized principles in the Buddhist tradition, is channeling the energies of the rural villages and communities towards improvements in education, systems of public facilities, and agricultural development.

And in India, there are reports of their restructuring and remodeling various production technologies so that the process of investment, capital accumulation, and growth takes into account not only productivity ratios but also the social and human aspects of the communities in which the investment is taking place.

In the United States there are even a few specifically Buddhist "islands" in the economy, such as restaurants, stitcheries, bakeries, etc., the objectives of which are to provide employment and practical opportunities for Buddhists to express—in the area of work—that which they have learned in their religious and spiritual practice. An attempt is being made to run these enterprises in a careful fashion, using all of the knowledge and information which Americans traditionally can use. Yet it has not been the *intent* of these enterprises to maximize profit. In some cases, we in fact have examples to the contrary. The corner Buddhist green-grocer is giving bonuses to his customers at the end of his accounting year.

By 1976 it was said that there were about half a million people in the United States who could be considered as practicing Buddhists. (10). There are also many others who choose to lead a "Buddhist" life of voluntary simplicity. Yet, on the whole, the Buddhist economy in the United States is only a small part of a mixed economy.

Since the American country's economy is not Buddhist, to construct an explicitly Buddhist Economics to be used there may be interesting

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and feasible but not immediately useful. Yet the Buddhist in America, and elsewhere, does need guidelines or principles for decision-making in an environment which is non-Buddhist and which, in the economic arena, employs principles, criteria, and calculations which are, or at the very least appear to be, "incompatible."

One of the uses, thus, of Buddhist Economics is to provide a list of operational tools which can affect decision-making. A second use of Buddhist Economics is educational. It tells a Buddhist individual that a Buddhist or a near Buddhist type of economic activity—right livelihood—can be pursued.

On the other hand, Buddhist Economics can teach a non-Buddhist type of individual that, in addition to the principles of economics taught in the classroom, there are ethical premises, assumptions, criteria, and motives which can result in the formation of prices, quantities, exchange, employment, and output: economic activity.

This kind of information, we feel, is not only interesting and constructive to the development of new areas in economic, but also useful to individuals and to the performance of an economic system as a whole. It may help to answer the rising demand by some for new objectives—for a new definition of economics.

### *Decision-Making and Economics*

The science of the art of decision-making is a general one. It is in the better nature of individuals to make decisions which are both rational and beneficial to them and to avoid making stupid and unproductive decisions. If one were to analyze the life history of any one decision, it would quickly become clear that it involved many considerations—ethical, psychological, sociological, economic, etc.

We often speak of economic decision-making, however, in isolation from other aspects of decision-making. What we wish to discuss here is "Buddhist" decision-making—that which is based on the normative principles; Buddhist decision-making criteria embodied in economics; economic decision-making as it can be useful to society. (1b, 1c).

In a discussion of Buddhist decision-making, we are attempting to answer some question which may arise in confronting the reality of situations, for economic decisions are not made in isolation from other decisions; they are part of total desires. What we have are decisions coming from internal and external motives which have economic

aspects and have economic ramifications. To be useful to people, economics could expand its own boundaries by including the normative and enter the area of meta-decision-making or meta-economics.

This type of economics would accompany the type of decision-making which has been and is taking place. This activity can be seen in some decision-makers' "words," types of words often absent from the vocabulary of contemporary economics. But they have been, and they can again be part of its arsenal.

### ***BUDDHIST DECISION-MAKERS***

#### ***Asoka***

Emperor Asoka, a Buddhist "philosopher king," is one of the clearest examples of a Buddhist decision-maker. Following the "law of dharma," a morality based on the Buddhist *paramitas* or "perfections" (compassion, charity, restraint, firm faith, truth, purity, humility, forbearance, and non-violence (5;112)), Asoka, in his Rock and Pillar Edicts, attempted to make moral policy for his people. Moral principles were to be embodied in laws and manifested in behavior.

Thus, Asoka mixed policy directives—to set up hospitals, to feed the poor, to render just decisions—with moral directives which reflected the *paramitas*. *Ksanti* (absolute forbearance), for example, was to be exhibited in restraint of speech,

. . . so that one man will not do reverence to his sect while disparaging another (5;170)

*Dana* (giving without stint) was to be cultivated by, for example, almsgiving in accordance with the Law of Piety (friendship in piety, liberality in piety, kinship in piety), respect and reverence, and the giving of happiness, solitude and prosperity (Rock Edict XI (16;169)).

Asoka himself, through his edicts, exhibited *Virya* (perseverance), sparing no effort in conveying the Laws of Piety and Dharma. Through *Dhyana* (undisturbed contemplation), for gaining mastery over the senses and purity of mind, he and his subjects could attain the bliss of *nirvana*:

. . . intense self-examination, achieved by meditation, intense effort, intense love of the law of Piety, and intense obedience will secure the next world. (16;182)

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It was this law of Piety which set the high moral standard required in the *paramita sila* (perfect moral conduct) and which applied to Asoka's policy of Dharma as a whole. Asoka's Rock Edict III, for example, gave direct instruction to his cabinet for teaching the law of Piety and created a Bureau of Censors to increase welfare and inform him of injustices. *Prajna* (wisdom), of course, was important for all leaders, to bring the people of the kingdom peacefully towards enlightenment and to maintain a unified state.

In Asoka's kingdom, the road to wisdom (based on right views, right feelings, right words, right behavior, right livelihood, right exertion, right memory, and right meditation, with tranquility) was to be followed by all decision-makers, great and small: the Rock and Pillar Edicts provided the guideposts. Brutality, cruelty, anger, pride, and jealousy—impiety—were to be avoided.

### *E. F. Schumacher*

The economic work of E. F. Schumacher is well known. He has been popularly known for his advocacy, in *Small is Beautiful*, of a Buddhist economics, and of a socio-economic state in touch and in harmony with nature and spirit: based on the virtue of man. (15)

Schumacher is equally well known as a decision maker: for his criticisms of waste, disorder, destructive work patterns, development motivated by greed and envy, and the methodology of a materialistic economics which ignores man's dependence on the natural and spiritual world. "Striving for non-violence," he says, means working "with the gentle and incredibly efficient methods of nature" instead of "forcing one's way through her." (15c; 436).

The goals of economics, said Schumacher, should be health, beauty, permanence, and productivity: a simple society of simple technology. A meta-economics including these goals would lead to the development of the whole man, contributing to his personal enlightenment, and maximize the virtue, the utility and the happiness of all.

Schumacher's *A Guide for the Perplexed* (15a) gives an almost metaphysical analysis of the levels of this interaction of man and his reality. In this analysis, he brings to play the multi-dimensions of thought and action, not stopping with just *economics* "as if people mattered." As a meta-economist and a Buddhist decision maker, he

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takes into consideration the evidence of an "inner life" at the same time as the life of "action."

He shows an active humanistic concern:

To treat a person as if he or she were a mere object is a perversity, not to say a crime. . . . Man can achieve a measure of control over his environment and thereby his life, utilizing things around him for his own purposes. (15a;27).

To ask whether the human being *has* Freedom is like asking whether man *is* a millionaire. He is not, but can become, a millionaire. He can make it his aim to become rich; similarly, he can make it his aim to become free. (15a;30).

He distinguishes between different "truths":

Experience, and not illumination, tells us about the existence, appearance and changes of sensible things, such as stones, plants, animals, and people.

Illumination, and not experience, tells us what such things mean, what they could be, and what they perhaps ought to be (15a;48-9).

And he comes out strongly in favor of using both truths in any approach to study and decisions. For when illumination is neglected in producing knowledge, and the "higher powers" atrophy, "problems which society or individuals are called upon to tackle become insoluble." (15a;56).

Ideally, Schumacher says,

. . . the structure of a man's knowledge would match the structure of reality. At the highest level there would be "knowledge for understanding" in its purest form; at the lowest there would be "knowledge for manipulation." (15a;57).

This "knowledge for understanding" is to be found largely through "bare attention" or a single-minded awareness (the Buddha's Way of Mindfulness) : a getting away from "I-thought," says Schumacher. It is to be supplemented by self-knowledge of a different sort, reached by reading our own reflection in society's mirror:

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The best way to obtain the requisite knowledge about ourselves. . . is to observe and understand the needs, perplexities, and difficulties of others, putting ourselves in their situation. (15a;98).

A total absence of "ego" means total objectivity and total effectiveness; to truly love one's neighbor as oneself, without interference from one's own ego, "means the attainment of perfect altruism, the elimination of all traces of egoism." (15a;99).

Faith in modern man's omnipotence, Schumacher says, is "wearing thin." Restorations and solutions will not come from a "technological fix" but from within. Real and important problems can only be solved by using both the logical mind and our higher faculties. For

Our ordinary mind always tries to persuade us that we are nothing but acorns and that our greatest happiness will be to become bigger, fatter, shinier acorns; but that is of interest only to pigs. Our faith gives us knowledge of something much better: that we can become oak trees. (15a;135).

### *The "words" of decision-makers*

The above "survey" seems to indicate that these two examples of Buddhist decision-makers felt that people, when confronted with problems more general than shopping, invoke words, terms, concepts or even variables which are conspicuously absent from much of straightforward economic analysis.

One of the statements made by them is that the process of only-the-self-management leads to social contradictions.

Another notion expounded by them is that of altruism as an activity which is rational and quite independent of the all-encompassing self-utility maximization theories. It is possible, they say, to engage actively in altruistic enterprises, thus increasing one's own utility as well as others'.

Buddhist decision-makers believe, basically, that the general socio-economic system can be workable, that harmony can exist, and that, with good government, "problems" can be solvable. A part of their vision is due to a belief in individuals—their strength and resourcefulness, their underlying mindfulness and rough rationality—a belief that those who create problems can find solutions.



This ideal compares with economists' often-held view that problems originate with a mistaken formula or an undiscovered resource, or that solutions lie in print-outs or correct formulas in the well-articulated social and scientific laboratory.

The task of the individual Buddhist decision-maker, then, when problems arise, is to set the situation aright through the instigation of some action based on a moral, ethical, or "religious" belief, faith, and confidence in the feasibility and success of action.

The principle of *dharma* rouses us to a recognition of spiritual realities not by abstention from the world but by bringing to this life, its business (*artha*) and its pleasures (*kama*), the controlling power of spiritual faith. Life is one, and in it there is no distinction of sacred and secular. (14;105).

As the humanists tell us, a person is much more than a transmuter of economic commodities. Participation in the economic sphere need not overwhelm an ethical personality. In addition to work-a-day activity, an ordinary individual may devote time and energy to non-economic and spiritual pursuits which are also sources of satisfaction. The Buddhist decision-makers and Buddhist economists are aware of this. (11)

Thus the words which Buddhist decision-makers use (some wittingly, some unwittingly) breathe of simplicity, importance, effectiveness, conviction, and harmony. It may be that, in the mouths of some, these words are devoid of substance and are simply the repetition of rhetoric invented a long time ago. But in the cases of most individuals, we believe, these words are the expression of the experience of enlightenment—of the feeling that things in general can be all right and that most problems confronting civilizations are solvable if we and our institutions actively follow the "right path."

The idea of "correct action," in the sense described above, is of course common to all universal religions. The bearers of this idea are the monks, not only the Christian but also the Brahman in India, the Buddhist in Tibet, and the Serapis among the Egyptians. They are living symbols of "the way" which each person, in his transcendental dimension, can follow in this world.

Perhaps following this path may well be what Schumacher is referring to when he says:

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The modern experiment to live without religion has failed, and once we have understood this, we know what our "post modern" tasks really are. (15a,139).

### *VALUES IN ECONOMICS*

As we know, there is an apparent difference in the languages involved in decision-making. It is only natural to expect linguistic difficulties in this area. There is probably no comfortable isomorphism between the world of reality to which the decision refers and the language which is commonly used in defining both problems and solutions. This has been increasingly true in the 20th century where, particularly in the West, the language of religion, spiritual language, and the language of philosophy are "alienated" from the language of science.

This lack of linguistic isomorphism can lead to a partial or confused view of reality, to creation of mistaken or spurious categories of thought, to indecision, biases, and errors in decision-making. Examples of this in economics are the confusion (which Schumacher particularly noted) which comes from not distinguishing between renewable and non-renewable resources, and the asymmetry of our theories of growth which for so long dealt with expansion while neglecting decay and the steady states.

This lack of isomorphism seems to be due in a large part to the lack of the inclusion of a values "category" in our socio-economic discussions and decisions. In what follows, thus, we want to discuss one way in which appropriate normative elements can be introduced explicitly into economics. We will introduce the Buddhist elements, or "b-elements," which are, in a sense, proxy-variables for values.

#### *The Values-block*

This procedure, perhaps, can best be illustrated by our giving a working view of incorporating values into macro-models. Suppose a recursive model of an economy is written as follows:

$$Y = A + BX + CV + E \quad [1]$$

in which

$Y$  = a vector of endogenous variables;

$A$  = a matrix of constants;

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**B, C**=matrices of slopes;  
**X**=a vector of exogenous economic variables;  
**V**=a vector of value variables which have a significant effect on **Y**; and  
**E**=the errors matrix.

**V** is a Value Block or, as we shall refer to it, a **V**-block, composed of variables which are not traditionally regarded as “economic” variables. The notion of what is an “economic” variable, as we know, is both subjective and impermanent. The economic variables of Ricardo and Malthus, for example, were quite different from those in Keynes' *The General Theory*.

The **X** and **Y** vectors are the economic variables as measured by the important U.S. statistical agencies: investment, consumption, savings, GNP, etc. The “togetherness” of these variables we call the Materialist Block, or the **M**-block.

The **V**-block, then, can be composed of **b**-elements—the yet unmeasured values, mores, and feelings which influence, in complicated ways and with various strengths, the readings of the empirical values in the **M**-block and the variables and coefficients related to them.

A typical embedded equation of this “Buddhist” model then can be:

$$Y_{13} = a + bx + cv_1 + e \quad [2]$$

If, for example:

**y<sub>13</sub>**=a quantity of automobiles demanded;  
**a**=a constant or intersect;  
**b, c**=slopes;  
**x**=income of individuals;  
**e**=estimating error; and  
**v<sub>1</sub>**=the **b**-element variables Patience and Mindfulness;

and if the coefficient **c** is significantly different from zero, we can say that this is a demand curve of “Buddhist” individuals for automobiles. For their purchases, in this example, Patience would enter on the timing of the purchase while Mindfulness would relate to the appropriate selection of the model. An effect would be a decrease in impulse buying and an increase in the need for informative advertising.

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### *The Content of the V-block*

The content of such a V-block would naturally depend on the nature of the society and the economy which is modeled, on the type of objective that the model is supposed to effectuate, on the preferences and the sophistication of the model user, on the degree of quantitative inclinations of the modeler, on willingness to create or construct proxy variables, on the time span, on the "globality" of the model, and so on.

Ideally, in a Buddhist Economics, only one variable—a constant—would be needed to define the V-block: enlightenment. As enlightenment can not be captured by "economic language," we use b-elements as the value variables. They are, then, one basis on which a workable normative economics can be built.

The Buddhist scriptures give us a good source of b-elements—ethical elements of human behavior which describe an essentially Buddhist type of "personality." Because the Buddha was teaching different individuals with different endowments and aspirations, he gave his teachings in a heterogeneous way. One of these was related to appropriate conduct, another related to the *dharma* of the four truths, another corresponded to the *dharma* of twelve causes and conditions.

It is in the *Lotus Sutra* (7) and the *Maha-vyutpatti* (3) that we found the *paramitas* which related directly to ordinary persons trying to follow the Buddhist path towards enlightenment. From these works, and from discussions of meditative instructions and experiences, we have derived our b-elements.

The *paramitas* are defined in the Buddhist Sanskrit literature as follows (3; 168):

- 1) *Dana* (giving, generosity, liberality);
- 2) *Sila* (perfect virtuous conduct, morality);
- 3) *Ksanti* (absolute forbearance, patience);
- 4) *Virya* (energy);
- 5) *Dhyana* (undisturbable contemplation);
- 6) *Prajna* (wisdom);

These are the six chief *paramitas*. The four supplementary *paramitas* are:

- 7) *Upaya* or *Upaya-kaucalya* (skillfulness in the choice or

adaptation of means for conversion or succor);

8) *Pranidhana* (aspiration or intention);

9) *Bala* (strength, power); and

10) *Jnana* (knowledge). (3; 168)

These last four *paramitas* can also roughly be expressed (in order) as skillful means, conviction, self-reliance and education.

From our point of view, the *paramitas* or "six perfections" may be regarded as the externally given normative rules of ethical conduct which an aspiring Buddhist, or a *bodhisattva*, or a person on a Buddhist path, over a period of years, will attempt to internalize (2). Needless to say, this process at no time and in no place was considered an easy one.

The attainment of Buddhahood requires the fulfilling of the *paramitas*, but their fulfillment is dependent in turn on Mindfulness—the practice of meditation "on the cushion" plus the *behavioral expression* of practice in everyday life. A *bodhisattva* (a person who has vowed to attain enlightenment for the sake of all living beings, and tries to behave in daily life as if he were already a Buddha) "helps all beings not only to attain. . . *nirvana*, but also to obtain the more material advantages of happiness and welfare in the world. . ." (3; 17).

For the sake of developing a meta-economics, we "distilled" from the *paramitas* and from meditation "manuals," where such words as "love," "charity," and "joy" appear (6, 19, 2), seven value elements: Mindfulness; Impartiality; Generosity; Perspective; Patience; Compassion; and Perseverance. Not all of these elements, of course, can be expected to find their expression or impact in the 20th century marketplace! The affect of these elements will vary greatly, depending upon the time and place, just as their selection might vary according to the biases within the process.

These b-elements, then, are the normative thoughts and feelings of "Buddhist" people which are expressed simultaneously in decisions, actions or habits as warranted by all situations (including the economic) which confront them. They are the elements, in Buddhist Economics, which enter now the demand equation, now the supply equation. For example: the b-elements which most affect the demand function are

$X_d = \text{Mindfulness, Compassion, Perspective, Perseverance}$

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A new kind of demand equation can then be written:

$$Q_d = f_1(\text{income, utility, price, } X_d) \quad (3)$$

Clearly, this expression of the b-elements in the marketplace would show, for example, in the deletion of some commodities and the introduction of others to shoppers' lists, as well as in more mindful purchasing patterns.

### *Working with the b-elements*

The b-elements can be incorporated in a simple economic model in both an impressionistic and a qualitative way; they can be used for a discussion of broad historical tendencies of the past and of the future; they can be used by long-range planners (1). From the methodological point of view, our degree of precision reached at this theoretical level, we believe, would be roughly parallel to that of Smith's discussion of the canons of taxation, of Tawney's hypothesis of the role on savings, or of Schumpeter's theory of the success of capitalism.

Generally speaking, as we know, economists today are accustomed to a degree of precision in their analyses. If the language of economics is to blend fruitfully with the language of the V-block, the language of the V-block has to be enlarged in some way comparable to that which we have been doing.

Some economists have already gone a long way, in both their theory and empirical work, in dealing with broad, nebulous, and hardly measured variables. What follows here is some suggestions for creating a more comprehensive ethical variant of economics.

**Direct data gathering:** The content of the V-block might be obtained by conducting well-designed survey experiments of those who reflect the clearest "transcendental" attitudes and behavior—monks, yogis, brahmans, etc.—as to items they buy or don't buy, and why. This survey could get directly at value content and might indeed be path-breaking, provided it is conducted with great public relations care and is sound both from the theoretical and statistical point of view.

**Realistic Proxy Variables:** The content of the V-block might be made up of realistic proxy variables: "nearly" economic data which have dimensions with which economists are familiar. As usual, the variables might be constructed from already available data on anticipations,

aspirations or sentiments (20), or, in the extreme, they could be assigned quantitative values by some kind of an expert-survey procedure in which the "best" measure can be discovered. For example, consumption expenditure could be reconstituted from available GNP data so as to reflect the would-have-been consumption expenditure of a "Buddhist" person, by deletion or by the subtraction of the expenditures on red meat, alcohol, unnecessary furniture, and cosmetics.

**Pedagogical proxy variables:** The content of the V-block might be simulated by quantifying, in an arbitrary way, a convenient and appropriate postulate or assumption. For example, the postulates of Buddhist Economics can be put in two ways—strongly and simply, or more weakly but in detail. The simple statement has two variants:

**S<sub>1</sub>** A person behaves in such a way so as to benefit all beings—past, present, and future—but not himself. (This is the description of the behavior of a Buddha.)

**S<sub>2</sub>** A person behaves in such a way so as to benefit all present beings, including himself. (This is a norm of behavior for a Bodhisattva.)

In such a simulation exercise, in 1979, we worked with a model by Dr. Frederick Kile (at that time of the Aid Association for Lutherans) called the Integrated World Model or IWM. This model was quite extensively described in the literature generally available to systems and cybernetics people and one of its roots was a concern with global modeling.

IWM did not contain a V-block as we have defined it above. Rather, it contained a "value module" expressed in quantitative terms. This module was a series of FORTRAN statements written by the modeler which expressed his view of the way in which a value judgment manifests itself in material or economic terms. A "change in values" resulted in the change in the value of the resulting difference coefficients.

In most cases, the chief items of the value module were:

**CLASS**—the original index of per capita well-being—an index of twenty variables ranging from 0.0 to 1.0; and

**MODE**—a number which takes on three values. Mode enters some of the equations as follows:

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### QUANTITY DEMANDED OF GOOD "A" = MODE (DEMAND EQUATION FOR GOOD "A")

The variation in the differential coefficients in the equations, and the changes in CLASS and MODE, made for the difference between a Normal Run and a Policy or Simulation Run.

In preparation for our simulation experiment, the MODE was lowered for the following Demand Equations:

- zero GNP (a special control coefficient distinct from MODE);
- low birth rate (a special purpose, experimental coefficient);
- low mobile transportation equipment and supplies;
- low consumption of durable common goods;
- low expenditure on new housing;
- low expenditure on the military.

These changes expressed, for our purposes, an adaptive interpretation of what seemed to be a desideratum on the part of Buddhist decision-makers or an expression of what is sometimes referred to as "voluntary simplicity" (9).

The results obtained (1d;13-14) were clearly conditioned by the then present structure of the American economy and by the definitions which comprised the testing procedure. Our strong conclusion was that a "value" driven model will chart a Simulation Run different than a Normal Run. As far as we know, this had not been shown in this particular way heretofore.

### *CONCLUSION*

The objective of this paper has been to discuss some demand aspects of Buddhist Economics, with a view of relating them to traditional economics, to the mutual development of both. The objective of this paper is not to advocate anything—the creation of a "just society," an appeal for right or wrong, a return to "early ideals"—but it is to attempt to illustrate the possibility and even the necessity of the inclusion of values in economic discussions and resulting decisions.

Our language, our tools, our methods, and our solution-bringing techniques define the problems we wish to attack in real and in intellectual life. This is as true of other areas as of economics. Economics,



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however, is in a "fortunate" position; it is both a theory and a technique with a reality check imposed upon it.

Buddhism, as other philosophies and religions, also has a concept of the ideal. The Buddhist notion or definition of the ideal starts internally—as a small point deep within a person's heart—and "many lifetimes" are to be devoted to the reaching of that ideal. In contrast, the Western notion of the ideal is often more external, material, corporeal, and instantaneous.

In this paper, in our discussion of "ideal" motives and values, we have illustrated how the pursuit of "transcendental" goals can act as both a motive and an incentive to economic activity. In our times, the pursuit of an ethical motive may very well be less zealous than the pursuit of those two "materialistic" motives of profit and utility; but historical experience seems to suggest that prices and quantities can be formed, decisions are made, and trade can take place even in the absence of these latter concepts.

We believe that Buddhist decision making would lead to a more satisfactory performance of the economic system. Economic systems fail, in the final analysis, not just because they can not generate enough bread or wheat (or can generate too much), but because they either free or tame the minds of men too much.

Economics was meant to be both ethical and useful. It must speak the language of the users. A Buddhist Economics might help us all to work with current and future situations and could reflect the concerns of an ever-growing number of the world's population.

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