

Buddhism and the Economic Management As Depicted in the Pali Canon

By Kottegoda Warnasuriya

ABSTRACT

The primary aim of Buddhism is to achieve emancipation from Samsāric existence by realizing Nirvana. For this the practice of meditation was recommended by the Buddha. Therefore, Buddhism is mainly meant for those who have given up all worldly possessions and attachments and become recluses (Sramanas). Buddha was not interested very much in secular affairs like economics and polity.

Lay community's aspiration was different from that of monks. They did not want to realize Nirvana in this life but to have a material success, happy life, economic development, family management and so forth in this life and in the life to come. When they visited the Buddha they indicated their household problems and wanted to have some advices conducive to material development rather than that of spiritual. In this respect Buddha preached many sutras to them in the form ethics. The contents of these sutras can be called the Buddhist philosophy of economic management and material success.

Buddha was not against happiness derived from the economic prosperity and material success by lay community. He advised lay people positively to find right livelihoods, make money righteously and make use of the wealth usefully. In the management of one's earnings, Buddha advised householders to divide income into four parts and set aside one fourth of earnings as savings to make use of in emergencies. And also Buddha advised people to be wise and strategic in the management of income and expenditure. He emphatically said that expenditure should not exceed the income.

Sigālovāda sutra explains many ways of dissipation of wealth due to overindulgence in drinking, gambling, frequenting streets, music, singing and idleness. In order to safeguard one's wealth one has to get rid of these vices. In the management of one's economy, Buddha has pointed out four important management principles: diligence (utthānasampadā), safeguarding what has been earned (ārakkhasampadā), association with good companions and friends (kalyānamittatā) and balancing of income and expenditure (samajīvikatā).

The aim of Buddhist practice is to achieve emancipation from the Samsāric existence (cycle of birth and deaths). Therefore, one might think that Buddha was not interested in secular affairs like polity, economic development and management which are not conducive to realization of Nirvana. Therefore, we do not find well-formulated or systematic philosophy of polity, economics and management in Buddhist texts. As such there are many sutras (discourses) in the Pāli canon dealing with the economic development and household management in the form of ethics.

Buddhist society includes four communities (Catuparisā): Bhikkhu (monks), Bhikkhunī (nuns), Upāsaka (lay male followers) and Upāsikā (lay female

followers). Even though the bulk of Buddhist teachings and practices meant for renunciants (monks and nuns) Buddha did not disregard the welfare and material development of lay community. According to Pāli sutras, the lay community did not wish to practice the path leading to emancipation as they were busy with household affairs. It is recorded very often in the Pāli sutras that lay people wanted to have a kind of advice that was conducive to their way of living. Lay followers, who came to visit the Buddha, explained their position and aspiration in the following words: “We are, Lord, householders who enjoy material pleasures. We are living with impediments of household problems. We delight in the muslins from Benares and sandalwood; we deck ourselves with flowers, with garlands and cosmetics; we enjoy the use of both silver and gold. Lord, to such as us, let the Exalted One also teach Dhamma, teach the things which will be to our advantage and for our happiness here in this life, for our advantage and happiness in the world to come.”¹ Buddha, having taken this request into his consideration, preached many sutras for the benefit and welfare of lay community. These sutras consist of Buddhist economic philosophy and the principles of management.

At the very outset we must remember that the Buddha was not an economist. And he had no interest in formulating a systematic economic philosophy. His quest and interest was soteriological, that is to say to get out of this Samsaric existence by realizing Nirvana. As lay Buddhist community was very keen in their material development he preached many sutras to them time to time. These sutras include some economic principles.

The Pali term for wealth is *Dhana*, a noun, used frequently in Buddhist literature. According to Buddhist interpretation, *Dhana* (wealth) can be divided into two: material wealth and spiritual wealth. Material wealth includes money, movable and immovable property, children, cattle² and so forth. The spiritual wealth is not material according to Buddhism. It is some qualities or mental properties we acquire through the practice of Buddhist path. These qualities can be achieved by monks as well as lay people. In the *Anguttara Nikāya* mention is made of seven treasures (*Dhana*): *Saddhā* (faith), *Sīla* (virtue), *Hiri* (shamefulness), *Ottappa* (fear), *Suta* (learning), *Cāga* (liberality) and *Paññā* (wisdom).³ These seven qualities are considered as supreme virtues common to both monks and lay people. Buddha emphatically mentioned that those who have these qualities are not poor (*Adaliddo*) and their life is not empty even though they have no material wealth.⁴ In this respect what the Buddha emphasized was that the spiritual wealth is superior to the material prosperity.

Another term for wealth used in Pali texts is *Attha* (Sanskrit *Artha*). *Attha* has at least two meanings: welfare and wealth. In Hinduism there are four aims that should be achieved by every individual in Hindu society. These are *Dharma* (duty), *Artha* (wealth), *Kāma* (pleasures of life) and *Moksa* (liberation). In Buddhism *Artha* (wealth) and *Kāma* (material pleasures) are meant for white clad lay people who enjoy sensual pleasures (*gihī kāmabhogī odāta vatthavasanā*). Buddha was not against their economic as well as material development and the

pleasures derived from material prosperity. Buddha emphasized that material prosperity should be obtained by righteous means (Dhammena).

The Pali term for management is Samvidhāna. In the Vyagghapajja sutra of the Anguttara Nikāya the word, Samvidhātum, is used in the sense of economic management. It is an infinitive of the verb Samvidhahati which means manages well or systematically. It is preceded by 'Alam kātum' (capable of doing). Other words very closely related to Samvidhatum are Dakkho (clever and efficient) and Analaso (diligent). All these words are used in Pāli texts in the sense of management.⁵ The Pāli term for profession or livelihood is Kammatthāna or Kammanta which literally means industry.⁶ And also in the context of Noble Eightfold Path Ājīva (Sammājīva) is used in the sense of profession or livelihood.

It is a widespread notion that though religion is good for spiritual development it is a hindrance for material development. But countries faithful to Buddhism reject the idea that there is an incompatibility between Buddhist teaching and modern economics. Burma says that they do not see any clash between Buddhist values and its economic development.⁷ It is true to a certain extent that religions which advocate non-violence are against vocations like selling and producing weapons, killing animals for meat, producing and selling liquor and so forth. Buddhist ethical philosophy is designed for both spiritual as well as material development.

The definition of the term, economy, is the management of household, the administration of the material resources of an individual, community or country.⁸ The definition given to economics is the science of household management.⁹ As Buddhism is a religion that emphasizes emancipation from Samsāric existence Buddha did not want to talk very much about secular affairs. Therefore, we do not find much emphasis laid on the systematic financial management as it is a secular affair. Nevertheless, there are some discourses delivered by the Buddha to lay people in the form of ethics with regard to the management of household, earnings, expenditure and other secular affairs.

Consumption

In modern economics the standard of living is measured on the basis of one's annual consumption. A man who consumes more is better than one who consumes less according to this economic philosophy. The disciplined or moderate consumption is said to be better in Buddhist economics. This is called Appicchatā (desiring little). Desiring a little may be a bad idea in terms of modern economic philosophy as the demand for commodities decreases which will lead to a slow economic growth. This situation is going to affect the production and market economy. Production will become excess if the consumption is low. The economic growth will become slow and it will create an economic recession. Probably Buddha did not think in terms of economic growth. He may have thought in terms of management of one's income and expenditure. Buddha

advised people to balance income and expenditure. In other words one should not spend more than what one earns.

And also Buddha recommended simple way of living (sallahuka vutti)¹⁰ for both monks and lay people. He knew very well the disadvantages of being an extremist in religious practices as well as secular affairs. Buddha never encouraged people to be greedy in consumption and management. Buddha criticized those who did not want to eat well while being wealthy. He said that these people die by not eating (ajaddhumaraka). The foundation of Buddhist economics is the Middle Way (Majjhimā Patipadā)¹¹ which is the moderate consumption and economic management. Buddha always advised his disciples to be contented (santutthi) with what they receive. Being contented is not being greedy. If somebody has uncontrollable desire for things he is in big trouble according to Buddhism. Such persons are called wastrels in Pali texts. To be contented with minimum is an important principle of monastic as well as household management. Probably one may think in this respect that this does not encourage people to produce more. Excess production and surplus may create environmental problems too.

Tanhā, desire or thirst, which is negatively interpreted in Pali sutras is the basis of production. Soteriologically Tanhā is a hindrance as it obstructs the path leading to emancipation. But average people live with desire (Tanha). If someone has no desire he faces serious mental and physical problems as a householder.

With regard to basic necessities like four requisites Buddha recommended a very simple way of management for the Sangha. There was already an established way of living followed by other Sramanas (recluses) in India during the sixth century BCE. Buddha thought that the existing scheme was the best and also the model for the Sangha. The philosophy behind this practice of management is that the Sangha should not be a burden to anybody in society. As homeless wanderers they had no practice of collecting material things and had to subsist on food collected from house to house and to wear robes made of cloths picked up from charnel grounds and heaps of dust. Monks slept under trees, caves forests and assembly halls and took medicine prepared with cow urine and herb.¹² The economic philosophy behind this management is that Sangha should not depend too much on lay community for food, clothes and other necessities. In this respect Buddha took into consideration the bee theory. Bee theory means that when a bee is sucking honey from a flower it does not hurt the flower. Likewise, Sangha is expected to receive a little food from a house when they go alms round. This practice was not a burden to lay people. Regarding shelter they did not want to depend on anybody as there were plenty of trees.

When the Sangha evolved from original asceticism into a monastic system this practice was modified. They were allowed to accept food, clothing, shelter and medicine offered to them by lay people as additional gains. Buddha advised Sangha to reflect often that the life of monks (Bhikkhus) depend on others in society.¹³ Buddha had to accept invitations for alms by lay community. And also

he had to accept robes already prepared by lay people and monasteries and medicine offered by them. Buddha said that these are additional gains.¹⁴ Regarding food both practices are followed by the Sangha even today in countries like Sri Lanka, Thailand, Burma Laos and Cambodia. In later ascetic practices (Dhutanga) monks, who observed going alms round for food for life time, did not accept invitations¹⁵ as they did not want to break their firm commitment to the special Dhutanga (ascetic) practice.

In the management of robes Buddha very clearly mentioned that Sangha should follow the practice of wearing robes made up of cast off soiled cloths. This practice was already popular among other Sramana (recluse) groups in India when the order of Buddhist Sangha was established. Later the rule was slightly modified by the Buddha because people wanted to offer robes to the community of Sangha. Buddha gave his permission to Sangha to accept the robes offered by lay people thus making the practice an additional gain (atirekalābha). Buddha introduced only three robes. It is an offence to use more than three robes according to Vinaya.¹⁶ Collecting, storing and management of robes should not be done by individual monks, and it was entrusted to a Cīvara Patiggāhaka (one who is in charge of receiving and managing robes). The management principle followed in this regard is the moderate consumption. It is a very pragmatic principle with regard to Buddhist Sangha community. If the robes are more than what is required Sangha should return them to the storage. When the problem of disposing of old robes came up Buddha had a naïve idea of recycling of old and unwearable robes (Civara). Buddha advised monks to make bed covers, pillow-cases, foot towels, floor mops and finally it should be mixed with mud and use the mixture to plaster the walls of their cabins (kutis).¹⁷ In this respect the economic principle introduced by the Buddha is the maximum utility of consumer goods and recycling.¹⁸

In the community of Sangha there was no ownership. Buddha very well understood that the ownership creates many problems like hindrances to spiritual development such as less time for meditation and so forth. This practice is very similar to the socialist and communist system of common property and non-ownership. Monasteries and properties were dedicated to the whole body of Sangha. This is an early ideal of common property system in the Sangha. Sangha had no problem in this respect. Buddha thought that Sangha should not fight over properties.

Right action and right livelihood¹⁹ are fourth and fifth factors of Noble Eightfold Path. These are recommended for both the Buddhist order of monks as well as lay community. Both Right action and Right livelihood indicate that there is a kind of management of one's occupation and also earning money. This means that one has to give up wrong action and livelihood.

Labor (kammanta) is the key factor of the economic development. In the case of Buddhist Sangha refraining from what is not appropriate for renunciants is the management of their life style as required by the community of Sangha. This is

called restraint (*samyama*). A lengthy exposition of management of one's life under *Sīla* is found in the sutras of the *Sīlakkhandha Vagga* of the *Dīgha Nikaya*.²⁰ In these sutras *Sīla* has been divided into three categories: Small Virtue (*Cūla sīla*), Middling Virtue (*Majjhima sīla*) and Great Virtue (*Mahā sīla*). The function of *Sīla* is to manage one's behavior. Therefore, *Sīla* can be considered as Buddhist management principles recommended for both the monks and laity.

Another important factor of management is *Sallahukavutti*²¹ which is recommended for both monks as well as lay community. *Sallahukavutti* means to live in a simple way. For monks as well as lay people, being *Subhara* (easily manageable) and *Santussaka*²² (satisfied with minimum) is an important factor of management of their lives. Buddhist economic philosophy advises people not to go for too much material gains as it generates many problems like suffering and unsatisfactoriness (*dukkha*). Suffering is the First Noble Truth of the four which was expounded by the Buddha in his first sermon delivered to the group of five ascetics. It is very important to be simple and satisfied with the minimum and try to manage one's life with basic necessities (*Santussako*).

Production, Management and Distribution

In Buddhist economics Buddha has not mentioned two basic economic factors of supply and demand. Both supply and demand are key factors of modern economics that control the economy of any country. If the production and supply are low and the demand is high this will create economic chaos. It will lead to an economic recession, inflation, rationing, price control, black market etc. It is to be noted here that during the time of the Buddha probably there was no short supply of goods unless of course country was affected by a famine.

In Buddhist *Jātaka* stories we read of well organized practice of trade by caravans. Merchants used to go to remote cities to sell their merchandises in groups of caravans.²³ According to *Jātaka*, some of these caravans included five hundred carts full of merchandises, food water and other necessary requisites for the group of merchants traveled along the routes of deserts for several weeks. Even though these stories do not record systematic theories of economics we can derive some elements pertaining to economic principles. For example the *Apannaka Jātaka*, the first story of the *Jātaka Pāli*, records how to price merchandises. In this respect modern economic theories of pricing like cost of production, cost of marketing and so forth are not taken into consideration. The strategy of pricing in this episode depends upon the merchant's free choice and business ethics. *Bodhisatva* who was a merchant in one of his previous lives let his friend go first to sell his merchandises after seeing many advantages of going later. Buddhist texts do not record a theory of pricing apart from basic ethical principles pertaining to good and bad. *Bodhisatva* stipulated that pricing of merchandises is extremely hard. The one who goes first has to price his merchandises. So the person goes later has no problem of pricing them as the first person had already priced them. Depending on those guidelines of pricing the

person who goes later can sell his items. There are other advantages such as the road condition, food for cattle and so forth not related to pricing of merchandises. (Road condition will be better for the person who goes later as the uneven spots are made even by caravans going first. New born grass is available for the oxen of the group of caravan going later as hard grass was already grazed by oxen of first group of caravan).²⁴

According to Buddhist economic ethics, it is not right to bargain merchandises when buying. Buddha considered it as a kind of exploitation which is unethical. If the buyer is offering a very low price for an item which is costly he is deviating from economic ethics. *Serivānija Jātaka*²⁵ records such an incident. A merchant who went to a house where an old lady and her grand daughter were living wanted to trade bangles in exchange for a gold vessel. The merchant offered lowest possible to the old lady and as she refused the offer and went away. The second merchant came and gave a handsome price for the gold vessel. From this transaction what we learn is that people should not exploit customers ruthlessly. Buddha always talked about fair deals.

Hindu Caste System and the Division of Labor

When we examine the Hindu caste system in terms of Buddhist economic philosophy it seems that it is nothing but a division of labor. Buddhism denies the idea of creation of four Varnas (castes) and assigning duties to each Varna by a creator. There are no hereditary classes or castes. The economic factor of caste system is the division of labor according to Buddhism. The *Aggañña* sutra of the *Dīgha Nikāya* records that at an early stage how human beings divided labor into four categories on the basis of specialization. The *Ksatriyas* (warriors) were assigned restraining evil doers by punishing them and governance. Some were entrusted with eradicating evil disposition from people. These were first *Brāhmanas*. Others engaged in various occupations like farming, cattle breeding, trade, cultivation and so forth. They were known as *Vaiśyas*. Some gave up household life and became recluses.²⁶

Division of labor is specialization of work. In production it is very important to make use of one's specialization. In this respect many factors like efficiency, quality control and so forth are taken into consideration. Basic theory of division of labor is to utilize one's skill properly and meaningfully to produce and market a quality product. Very early in the history of mankind, people were accustomed to the usefulness of this practice of specialization.

In the *Vāsettha* sutra of the *Sutta Nipāta* the term, *kamma* (karma skt), has been used in the sense of profession or livelihood. In this context there is no ethical or metaphysical implication. The term, *karma*, has been used in the sense of livelihood. The Buddha said that due to *karma* one becomes a farmer (*kassako hoti kammanā*). And also one becomes a soldier due to his *karma* or profession (*yodhajivo'pi kammana*).²⁷ This indicates a kind of specialization. The person

who is a farmer by profession is a specialist in agriculture. He knows very well the rainy season, the science of seeds, how to plough and to get the maximum possible harvest. This sutra mentions a long list of professions pursued by people during the time of the Buddha. It is an old practice to give a second identity to a person on depending on the vocation followed by him. We can see this practice still existing in some societies in the world even today. In the Majjhima Nikāya there is a sutra called Ganaka Moggallāna. Ganaka Moggallāna was an accountant during the time of the Buddha. He was very popular as Moggallāna the accountant. This is the second identity given to him by his society. It is a kind of specialization. Likewise, there were many specializations mentioned by the Buddha in the Vāsettha sutra of the Sutta Nipāta.²⁸

The Economic Growth and Happiness

Buddha did not talk about the economic prosperity in relation to a large scale of production and distribution. And also He did not have a pessimistic attitude to one's material prosperity acquired through righteous means (Dhammena). He knew very well the advantage of monetary development at individual level as well as large scale level. Buddha had two different schemes for laity and monks. Monks who gave up everything in order to become recluses did not derive happiness from material gains. Their happiness was derived from the mental development. On the other hand, lay community derived happiness from material prosperity. Buddha was not against the material success of lay people even though he emphatically said that life is suffering and unsatisfactory.²⁹

According to Buddhism, happiness is one of the aims of material success. This is different from the spiritual happiness of the Sangha who do not have any material possessions. Buddha talked about four kinds of happiness derived from material endeavors: Atthi Sukha (happiness of ownership), Bhoga Sukha (happiness of being prosperous) Anana Sukha (happiness of being debtless) and Anavajja Sukha (happiness of being blameless).³⁰ Happiness is very important in our life. If someone is unhappy there is something wrong with that person. Buddha pointed out two kinds of illnesses, mental and physical.³¹ Buddha emphasized that both material as well as spiritual development as necessary factors of human life.

The first is the happiness of ownership (atthi sukha). The householder has wealth acquired by energetic striving, accumulate by the strength of arm, obtained by sweating, lawful and lawfully acquired. When he reflects on the way he pursued to earn his wealth he receives happiness and satisfaction. The second is the happiness of being prosperous. Buddha advised the householders not to be stingy and spend money intelligently. According to Buddhist management principles he should not overspend what he has earned and be able to balance the income and expenditure. The householder does not enjoy his wealth by himself. He spends money on charity and does meritorious deeds. By doing these charitable works he enjoys and receives happiness and satisfaction. Thirdly he

receives happiness and satisfaction from being debtless. Fourthly he derives happiness from blamelessness as he did not follow blameworthy means of earning money.

The Sigalovāda sutra of the Dīgha Nikāya³² presents extremely valuable principles of economic management. This sutra was preached by the Buddha to a householder named Sigālaka who used to worship six directions early in the morning after his traditional ritual bath in order to honor his father's last words. Buddha having seen the householder worshipping six directions explained the proper way of honoring them. Buddha thought that mere worship of six directions did not have any meaning. His interpretation of six directions was different from that of contemporary religions. Buddha interpreted the practice in terms of social and family relationships taking the householder as the center of these relationships. Buddha's interpretation of six directions is that east is parents, south teachers, west wife and children, north friends and neighbors, nadir servants and work people and zenith recluses and Brahmins (religious teaches). Buddha included the whole society under this definition.

In addition to these reciprocal relationships the economic management has been expounded by the Buddha in relation to individual and family in the form of ethics. Family³³ is the basic unit in society according to this sutra. Though there is no clear definition of family in this sutra we assume that Buddha always talked about a joint family in which at least three generations used to live pooling their income and expenditure together as one unit creating a common culture by following the Buddhist way of life. Brhaspati, a Hindu sage, observes that 'The worship of manes, gods and Brāhmanas by those residing together and cooking their food in one house is single. But when they divide the property, the worship takes place separately in each house.'³⁴ This is the Hindu definition of family. According to this definition, family is a single unit in which closely related individuals, either by blood or affinity, live together subject to a common authority. According to the Sigālovada sutra Buddhist family includes parents, the householder his wife and children and servants and work people. This is a kind of a joint family in which at least three generations used to live. Management of this household has been explained in the form of reciprocal ethics. Duty and obligation play a major role in the management of families. It has been clearly pointed out by the Buddha that for a smooth running of society these duties and obligations have to be observed properly. If not the whole social system may collapse and everything will be chaotic. This has been clarified in the simile of pins of a cart. As long as wheels of a cart are secured by pins cart can run. If the pins are not placed properly cart cannot run and will collapse.³⁵

Buddhist Ethics and Family Management

The management ethics in the Sigalovada sutra have been presented in the form of duty and obligation. Each member of a family has a definite and set role to play. The status and role of each family member has to be defined in relation to

other members of the family. Taking the householder as the key figure of the family Buddha clarified the relationship between members of the family and the householder. The householder is the son in relation to his parents, husband in relation to wife, father in relation to his children and master in relation to his work people. In relation to teachers the householder is a student (Antevāsika). In relation to neighbors he is a neighbor and friend (Mittā-maccā). In relation to religious teachers (Samana and Brāhmanas) he is a devotee.

Family as a basic unit of society performs certain essential functions such as biological reproduction, maintenance of immature children, socialization, education and placement.³⁶ Most of these functions are performed by parents. Buddha mentioned that parents do much for children by feeding, bringing them up, showing this world and so forth.³⁷ For better management of one's life one should perform one's duties and obligations to parents, teachers, children, wife, friends, neighbors, servants and religious teachers.

Regarding the economic management Buddha has devised a scheme for lay community. One's earnings should be divided into four parts and one fourth should be utilized for food. Half of the income should be invested in business (kammanta) and the rest should be saved to be used in case of a distress.³⁸ Probably this scheme of management of one's earnings may not be suitable for some individuals like those who do not run businesses. Buddha did not like people to exhaust all what they earned. Buddha encouraged people to set aside a portion of their earnings as savings. He did not like fig-tree gluttons who were spendthrifts.

In the Andha sutra of the Anguttara Nikaya Buddha talks about three persons in the context of earning and management of what has been earned. The first man is the blind (Andha). The second is the one-eyed (Ekacakkhua) and the third is the two eyed (Dvicakkhu). The blind does not see necessary conditions and avenues to make acquire wealth that has not been attained. And also he does not know how to increase the wealth he already has. He has not the eye to see states that are good and bad, blameworthy and praiseworthy, mean and exalted. Person who has one eye is capable of acquiring the wealth unattained and make the wealth increased. But he does not have the eye to see states that are good and bad. The third person who has both eyes is capable of acquiring wealth that is not attained, makes the wealth grow. And also he has the eye to see the states that are good and bad and the states that are blameworthy and praiseworthy.³⁹ Buddha considered that the person who has two eyes is capable of making money and the management of his earnings.

Management of Family

Sigālovada sutra presents some management principles with regard to family in the form of ethics. Taken the householder as the central figure of the family these ethical principles have been explained by the Buddha. The relationship

between husband and wife should be amiable and courteous. Wife should be treated by husband with respect and honor and should be faithful to her. This is the key element in family management according to Buddhism. She should be well looked after by providing necessary requisites such as clothes, jewelry and so forth. She should be granted the authority to manage the household. Husband is the breadwinner of the family and wife is the one who manages the house. He should not despise her. Buddha mentioned that wife is the closest friend of husband,⁴⁰ advisor and helper in household management. Manu mentions that 'mutual fidelity till death is the essence of the highest dharma for the husband and wife.'⁴¹ Manu advises people to live in harmony with their wives and children.⁴² The most blessed home is where husband is always pleased with his wife and wife always pleased with her husband.⁴³ 'A man's half is the wife; wife is husband's best friend; she is the source of Dharma, Artha, Kāma and also Moksa.'⁴⁴ In Buddhist texts also we find similar ideas regarding the relationship of wife and husband.

There are five principles of family management in this sutra: systematic management of household (*susamvihita kammantā*), well treatment of household work people and servants (*saṃgahītaparijanā*), faithfulness to husband (*anaticārinī*), taking care of what is brought by husband (*sambhatam cānurakkhati*) and cleverness and diligence in household affairs (*dakkhā ca hoti analasā sabbakiccesu*).⁴⁵ These are the duties of wife according to Buddhism.

Management of family servants and work people are done by both husband and wife. In relation to work people husband and wife are employers (or masters). There should be a good employer employee relationship in the household management. The householder, as the master and employer, should handle his employees in a strategic and efficient manner. Some Buddhist families included domestic servants during the time of the Buddha depending on their income. Most of domestic servants as well as slaves in ancient India were Sudras. They were often badly treated by their masters (employers). In ancient Rome *famulus* was a domestic slave and *familia* meant a collection of slaves attached to a household. Later *familia* came to mean not only slaves and also family members.⁴⁶

In the management of household work people as well as employees master should be strategic and efficient. Buddhism advises masters to be sympathetic and compassionate towards employees and servants. When assigning duties, master should know the strength and expertise of his employees. Buddha advised to assign duties depending on their strength and expertise. The commentary to *Dīgha Nikāya* elucidates this strategy in the following words. Master should not ask old people to do a hard work that should be done by younger men. And also women should not be given hard work.⁴⁷ In order to maintain good and amiable relationship master should treat them well. He should provide wages and meals (*bhattavetana*). Whatever delicacies he enjoys he should share with them. He should kindly treat them by releasing them from work at due time. When they are sick he should do not employ them. He should provide proper medical facilities to

them. There is no doubt that the Buddha was the first person to propose employee medical care system.⁴⁸

Management of Income and Wealth

Cultivation of restraint (*samyama*) and self-control are key factors of Buddhist philosophy of management. One should be wise and strategic in managing household, income and expenditure. At least the householder should have the common sense to know the perils of economic deterioration. Over-infatuation and addiction to bad habits are hindrances to economic development and management. In the management of monetary and family matters one should be aware of certain bad habits that may create chaos and disorder regarding the management of one's economy. *Sigālovāda* sutra mentions six ways of dissipating one's income and wealth if the householder is addicted to any of the following vices: addiction to intoxicating drinks, frequenting the streets at untimely hours, haunting fairs, being infatuated by gambling, association with evil companions and the habit of idleness.⁴⁹ There are six dangers of drinking: the loss of wealth, loss of self-control, susceptibility to sicknesses, receipt of ill-reputation, loss of sense of shame and impairment of intelligence.

Buddha said that it is a bad habit to waste time in frequenting streets at untimely hours. This may create the problems of security of oneself, wife, children and also wealth. And also there is a risk of suspicion and implication in criminal cases. Such a habit would bring unhappiness, insecurity and bad reports. Addicted to shows and musical events are considered a bad habit as one has to spend his money as well as precious time. According to the commentary, not only this habit will interrupt seriously one's employment. Further, his wealth and property are not secured.⁵⁰

Addiction to gambling (*jūtapamadatthānānuyoga*) is considered as a serious social and economic evil. Buddha pointed out that gambling destroys one's wealth and property very fast.⁵¹ Gambler is hated by the loser when he wins. At the loss of wealth he mourns. His words are not trusted and he is despised by his friends and relatives. People do not like to give a woman to such a person in marriage because of his gambling habit.

The problem of association with bad friends and companions is another channel of dissipating wealth. If the companions are gamblers, cheaters, drunkards the householder is in deep trouble. Bad influence of peers can destroy not only what the householder has already earned and also his whole career.

The habit of being lazy is another peril for one's success as well as management. Buddha very clearly expounded the advantages and disadvantages of being diligent and lazy. Man who is addicted to laziness cannot generate income.

In the Vyagghapajja sutra of the Anguttara Nikāya Buddha praised the usefulness of balancing one's income and expenditure. One of the principles of economic management in Buddhism is Samajīvikatā (evenness of income and expenditure).⁵² According to this sutra one's expenditure should not exceed his income. If somebody's expenditure is more than his income he cannot balance his budget. Whatever he earns is exhausted. He is unable to manage his household. Such a person is always having a deficit and running into debts. This situation was well exemplified by the Buddha in a simile. This is very similar to a pond which has four openings. As long as four openings are secured water will last. When all four openings are kept open the pond cannot hold its water any more.⁵³ The person who spends all what he earns is not wise and he is ignorant regarding the management of his income. According to Buddha such persons are like fig-tree gluttons.

There are four principles of economic management mentioned in Pali texts. Vyagghapajja sutra of the Anguttara Nikāya enumerates these principles as Utthāna Sampadā (Diligence), Ārakkha Sampadā (Protectiveness), Kalyāna Mittatā (Association with good friends) and Sama Jīvikatā (Balancing of income and expenditure).⁵⁴ Buddha mentioned that these four principles (Dhamma) are essential factors for this worldly development and happiness.⁵⁵ Diligence is one of the key factors of economic development. It is the very motivation to pursue one's industry or profession profitably. Buddha said that the householder should be clever, diligent and strategic, be able to do and manage properly his businesses and livelihood such as agriculture, trade, cattle breeding, archery, royal service, crafts and so forth. This is called Utthanasampada. The second principle of management is Arakkhasampada. This is the proper management of wealth earned by diligence with own hands, by sweating, by righteous manner and obtained righteously. The householder has to protect his wealth from thieves, from fire and water, from confiscation by the king and undesirable heirs. Association with good and wise people is the third principle of management. Buddha has pointed out in many places that association of bad companions is a factor of deterioration. Buddha advised householders to associate with only those who are wise and virtuous. The fourth principle is the balancing the income and expenditure (Samajivikata). The clansman should have a good awareness of his income and expenditure. He should not spend exceedingly, that is to say more than what he earns. This has been exemplified in a simile of a scale. If the clansman have but small earnings and live on a grand scale people tell that this person eats wealth like a fig-tree glutton.⁵⁶ Buddha was not against enjoyment and comfortable living of lay people. He was against the miserliness of those who have enough income and manage families meanly. Buddha said that such people die like starvelings.⁵⁷ Here we see the Buddhist idea of middle way of management. In the Vyagghapajja sutra Buddha mentioned four ethical principles to be followed by a householder for proper management of income and wealth. He should not addict to women, intoxicating drinks, gambling and association of bad companions.

Management and Eradication of Poverty

Management and eradication of poverty can be considered as an important aspect of Buddhist economics. This has to be done by the government or such organizations in a systematic manner. The Cakkavattisihanada⁵⁸ sutra records an incident of theft for which the king punished severely the culprit by imprisoning. In this respect Buddha said that before imposing a punishment the king should investigate into the cause of theft. If someone has no means of income he cannot support his family. Such people are called Adhana (people without an income) or Dalidda (poor) in Pali texts. The Pali term for poverty is *dāliddiyam*. When people have no employment they have no income to maintain their families. According to Cakkavattisihanada sutra,⁵⁹ this is a kind of desperate situation which leads people to steal. Due to the increase of stealing, handling of weapons increases. Due to the handling of weapons, killing increases. The principle of management of poverty emphasized by the Buddha in this sutra is to look into the cause of theft and to take appropriate remedial measures to eradicate poverty. The rulers are advised to grant monetary benefits to poor and unemployed people to invest in self-employment projects and businesses.

Right Livelihood

Right livelihood (*Sammā ājīva*) is the fifth factor of the Noble Eightfold Path which is recommended for the renunciants who strive to realize Nirvana. It is also recommended for lay people who follow the Buddhist way of life. It is a basic requirement for both lay as well as monks to pursue a blameless livelihood. Therefore in the management of one's livelihood one has to pursue a good employment. Selling animals, humans, drugs, liquor, toxic substances etc. are considered unethical in Buddhism.

According to Buddhist management ethics one should be righteous (*Dhammiko*) in his dealings and earning money. It is often mentioned in Buddhist sutras that fair earning is what is acquired by shedding sweat (*sedavakkhittā*), by the strength of arms (*bāhābala-paricitā*), by righteous means (*dhammikā dhammaladdhā*).⁶⁰ The economic factor in earning and producing goods is labor. Buddha praised labor as against idleness. The Pali term for labor is *Utthānaviriya* (energetic effort).

The concept of *Dhamma* (righteousness) is extremely important in the economic management. The term, *Dhamma*, has many meanings depending on the context. On the other hand, the opposite *Adhamma* has no place in Buddhist ethics and management. All the dealings should be fair and righteous according to Buddhist management ethics. In the selection of professions one has to take into consideration the factor of fairness and righteousness (*Dhamma*). Buddha advised people not to pursue some vocations which are harmful to environment and human beings. Probably this may create an economic recession in terms of modern economic philosophies. For example selling weapons, liquor, meat and

fish is unethical according to Buddhism. Buddha was not an economist. He was a religious teacher and reformer who advocated non-violence. Therefore, some Buddhist economic principles cannot be accommodated in modern economics as they clash with modern economic theories.

Investment and Economic Growth

Buddha knew about borrowing and investing money in industries and self-employment projects. Many sutras of the Sutra Pitaka mention this economic practice followed by people in ancient India. When there is no capital to invest in business or self-employment project people used to borrow money from wealthy people called Setthis. Lending money was a big business during the time of the Buddha. In Pali sutras the word, *Ṇa* (*Ṛna* in Sanskrit), is used for loan. The technical term, *Vyavahāra* (lending money) is used in Sanskrit. The word, *Kusīda*, also is used in the same meaning. In this respect modern day people borrow money from banks and invest in their businesses. The same practice existed in India during the time of the Buddha. Buddha has mentioned such an incident in the *Sāmaññapahla* sutra of the *Digha Nikaya*. A man having borrowed money invested in an industry. As he did so well he settled all his old debts. He received a profit (*avasittham*) by which he managed to live a comfortable family life. The person who invested money and made a profit was very happy about his success.⁶¹ We saw the same practice recommended by the Buddha to eradicate poverty in the *Cakkavattisihanada* sutra. Buddha said that it is very unethical not to settle loans. The person who does not settle loans borrowed from lenders is called a *Vasala* (bad).⁶²

In conclusion I would like to mention that Buddha was not against the happiness derived from material success by lay people even though the main emphasis is to get out of the Samsaric existence by realizing Nibbana. What the Buddha attempted to do was to give an ethical importance in making money. He was against unethical and immoral ways of making income.

Notes

-
- ¹ “Mayam bhante gihi kamabhogi puttadarasambadhasayana ajjhasvama, kasikacandanam
pacanubhoma malagandhavilepanam dharayama, jataruparajatam sadiyama. Tesam
no bhante bhagava amhakam tatha dhammam desetu, ye amhakam assa
ditthadhammahitaya ditthadhamma-sukhaya samparaya hitaya samparaya sukhaya.”
Anguttara Nikaya, Vol. IV. p.281
 - ² “Natthi go samitam dhanam” *Samyutta Nikaya*, Vol. I. p.6
 - ³ ‘Satt’imani bhikkhave dhanani. Katamani satta? Saddhadhanam, siladhanam,
hiridhanam,
ottappadhanam, sutadhanam cagadhanam, pannadhanam.’ *Anguttara Nikaya*, Vol.
IV. P. 5.

- 4 'Yassa ete dhana atthi itthiya purisassa va, adaliddo'ti tam ahu amogham tassa jivitam.'
- 5 Anguttara Nikaya, Vol. IV. P. 6
- 6 Digha Nikaya, Vol. III. P.190
- 7 Anguttara Nikaya, Vol. IV. P.281
- 8 Shoemarcher, Small is Beautiful, p. 53
- 9 Chambers' Twentieth Century Dictionary, p. 396
- 10 Ibid., p.396
- 11 Sutta Nipata., 144
- 12 Mr. Bandaranayaka, a former Prime Minister of Sri Lanka, used the word Middle Way in regard to his economic management. His Middle way was the mixture of socialism and capitalism as he did not to commit to any extreme economic policy.
- 13 "Pamsukulacivaram nissaya pabbajja tattha te yavajivam ussaho karaniyo, pindiyalopabhojanam nissaya pabbajja tattha te yavajivam ussaho karaniyo....." Vinaya. 1. p. 58
- 14 'Parapatibaddha me jivita'ti abhinham paccavekkhitabbam.'
- 15 Dasadhamma Sutta, Suttasangaha, p. 325
- 16 "Pindiyalopabhojanam nissaya pabbajja, tattha te yavajivam ussaho karaniyo, atirekalabho sanghabhattam nimantanam pakkhikam..... Vin. I. p. 96
- 17 Visuddhimagga and Vimuttimagga under Pindapatika
- 18 Vin. I. see Civarakkhandhaka (Chapter 8)
- 19 Dhammapadatthakatha, (Sinhala edition), Ed. By A. P. Buddhadatta, p. 137
- 20 Ibid., p. 137
- 21 Schumacher mentions that Right Livelihood indicates that there is something called Buddhist economics. Small is Beautiful, p. 53
- 22 Read Silakkhandha Vagga, Digha Nikaya
- 23 Santussako ca subharo ca , appakicco ca sallahukavutti santindriyo ca nipako ca, appagabbo kulesu ananugiddho Sutta Nipata, 144
- 24 Ibid., 144
- 25 Jataka, I p. 98 Read Apannaka, Vannupatha and Serivanija jatakas
- 26 Apannaka Jataka, Jatak, I. p. 98
- 27 Jataka, I. pp.110-114 (Serivanija Jataka)
- 28 SBB, Vol. II.p.106, Agganna sutra, D. Vol.
- 29 Sutta Nipata. 617,
- 30 Sutta Nipata, verses 612-619
- 31 Dhammacakkapavattana sutta, Vin. I. ps, 10-12.
- 32 Anguttara Nikaya, II. P.68
- 33 Rahula, Walpola, What the Buddha Taught, p. 67
- 34 Digha Nikaya, Vol. ps. 180-193
- 35 Modern sociologists divide family into four categories: Nuclear or Elementary family, Joint Family, Compound Family and Extended family.
- 36 Brhaspati, XXV. 6
- 37 'Ete kho sangaha loke rathass'aniva yayato' Digha Nikaya, Vol. III. P. 192
- 38 Murdock, G. P., Social Structure, (1949), p.11
- 39 'Bahukara bhikkhave matapitaro puttanam apadaka posaka imassa lokassa dassetaro' Anguttara Nikaya, I. 61
- 40 Digha Nikaya, Vol. III. P. 188
- 41 Anguttara Nikaya. Vol. I. 111
- 42 'Bhariya ca parama sakha.' Samyutta Nikaya, I. p. 37

-
- 41 'Anyonyasya vyabhicaro bhaved amaranantikah,
42 esa dharmah samasena jneyah stripumsayoh punah.' Manusmrti, IX. 101
42 Manusmrti, IX. 45; Apastambha Dharmasutra, II.14 and 16
43 "Santustho bharyaya bharta bhartra bharya tathai va ca,
44 Yasminne va kule nityam kalyanam tatra vai dhruvam.'
44 Manusmrti, III. 60
44 Mahabharata, Adiparva, 74, 40
45 Digha Nikaya, Vol.III. p. 190
46 Mackenzie, S. J., Outlines of Social Philosophy, p.79
47 Digha Nikaya Atthakatha, p.956.
48 'Panchahi kho, Gahapatiputta,thanehi ayirakena hetthima disa dasakammkara
paccupatthatabba:
Yathabalam kammantasamvidhanena, bhattavetanauppadanena, gilauupatthanena,
acchariyam Rasanam samvibhagena, samaye vossaggena.' Digha Nikaya, III. P.
191
49 Digha Nikaya, Vol. III. P. 182
50 Digha Nikaya Atthakatha, p. 964; Warder, A. K., Indian Buddhism, p. 182
51 Digha Nikaya, Vol. III. P. 184
52 Anguttara Nikaya, Vol. IV. P. 281
53 Ibid., Vol. IV. P. 284
54 Anguttara Nikaya, Vol. IV. P. 282
55 'Cattaro'me Byagghapajja dhamma kulaputtassa ditthadhammahitaya samvattanti
ditthadhamma-Sukhaya' Anguttara Nikaya, Vol. IV. 281
56 Anguttara Nikaya, Vol. IV. P.282-283
57 Anguttara Nikaya, IV. 283
58 Digha Nikaya, Vol. III. P. 65
59 'Adhananam dhane ananuppadiyamane daliddiyam vepullam agamasi, daliddiye
vepullam gate Adinnadanam vepullam agamasi. Adinnadanam vepullam gate sattham
vepullam agamasi....'
Digha Nikaya, Vol. III. P. 68
60 Anguttara Nikaya, Vol. IV. P. 282
61 Digha Nikaya, Vol. I. p. 71
62 Sutta Nipata, 180