

E.F. Schumacher
Small is
Beautiful
Economics as if
People Mattered

Chapter 4

Buddhist Economics

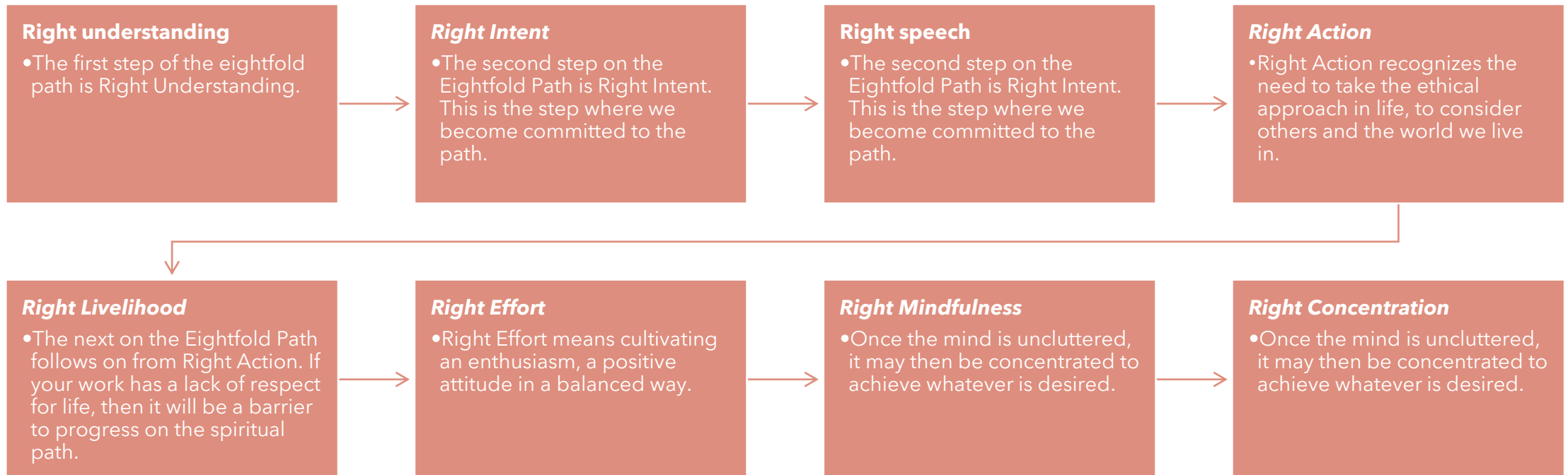
A Lonergan Institute Seminar

St Anselm's Abbey

Opening Quotes from Chapter 4

- 'Right Livelihood' is one of the requirements of the Buddha's Noble Eightfold Path
- "No one seems to think that a Buddhist way of life would call for Buddhist economics, just as the modern materialist way of life has brought forth modern economics."

The Noble Eightfold Path



Discussion Question: In the light of our current experience with “social distancing,” what are your thoughts on the meaning of work, ‘right livelihood,’ and the idea of modern economics versus “Buddhist Economics? Are you on the right path? Is the world on the right path?”

"There is universal agreement that a fundamental source of wealth is human labour. Now, the modern economist has been brought up to consider 'labour' or work as little more than a necessary evil. From the point of view of the employer, it is in any case simply an item of cost, to be reduced to a minimum if it cannot be eliminated altogether, say, by automation. From the point of view of the workman, it is a 'disutility'; to work is to make a sacrifice of one's leisure and comfort, and wages are a kind of compensation for the sacrifice. Hence the ideal from the point of view of the employer is to have output without employees, and the ideal from the point of view of the employee is to have income without employment." - Schumacher

"The man whose whole life is spent in performing a few simple operations, of which the effects are perhaps always the same, or very nearly the same, has no occasion to exert his understanding or to exercise his invention in finding out expedients for removing difficulties which never occur. He naturally loses, therefore, the habit of such exertion, and generally becomes as stupid and ignorant as it is possible for a human creature to become."
— Adam Smith, An Inquiry into the Nature and Causes of the Wealth of Nations



Budhist Economics – E.F. Schumacher

- “The Buddhist point of view takes the function of work to be at least threefold: to give a man a chance to utilise and develop his faculties; to enable him to overcome his egocentredness by joining with other people in a common task; and to bring forth the goods and services needed for a becoming existence.”
- “Equally, to strive for leisure as an alternative to work would be considered a complete misunderstanding of one of the basic truths of human existence, namely that 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

- “From the Buddhist point of view, there are therefore two types of mechanisation which must be clearly distinguished: one that enhances a man's skill and power and one that turns the work of man over to a mechanical slave, leaving man in a position of having to serve the slave. How to tell the one from the other?”
- “It is clear, therefore, that Buddhist economics must be very different from the economics of modern materialism, since the Buddhist sees the essence of civilisation not in a multiplication of wants but in the purification of human character.”



From Chapter Four:

- “If the nature of the work is properly appreciated and applied, it will stand in the same relation to the higher faculties as food is to the physical body. It nourishes and enlivens the higher man and urges him to produce the best he is capable of. It directs his free will along the proper course and disciplines the animal in him into progressive channels. It furnishes an excellent background for man to display his scale of values and develop his personality.”
- “Bertrand de Jouvenel, the eminent French political philosopher, has characterised 'western man' in words which may be taken as a fair description of the modern economist: 'He tends to count nothing as an expenditure, other than human effort; he does not seem to mind how much mineral matter he wastes and, far worse, how much living matter he destroys. He does not seem to realise at all that human life is a dependent part of -an ecosystem of many different forms of life. As the world is ruled from towns where men are cut off from any form of life other than human, the feeling of belonging to an ecosystem is not revived. This results in a harsh and improvident treatment of things upon which we ultimately depend, such as water and trees.)”

The Idea of Full Employment

- “The very start of Buddhist economic planning would be a planning for full employment, and the primary purpose of this would in fact be employment for everyone who needs an 'outside' job: it would not be the maximisation of employment nor the maximisation of production. Women, on the whole, do not need an 'outside' job, and the large-scale employment of women in offices or factories would be considered a sign of serious economic failure. In particular, to let mothers of young children work in factories while the children run wild would be as uneconomic in the eyes of a Buddhist economist as the employment of a skilled worker as a soldier in the eyes of a modern economist.”
- What are the Federal Reserve's objectives in conducting monetary policy? The objectives as mandated by the Congress in the Federal Reserve Act are promoting:
 - 1) Maximum employment, which means all Americans that want to work are gainfully employed, and
 - 2) Stable prices for the goods and services we all purchase.

Discussion Question: Do we properly appreciate the nature of work today? How does gender fit into the equation? Do we have the right national economic policy? If not, what has to change to get there? What should we do differently?



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THE END