

Towards a Dharma-Based Economy

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[In early November 2015, the author participated in a four-day programme held in Varanasi and Sarnath entitled *Awakening the Light of Dharma: How to Uphold Dharma in the World Today*, organised by the Global Peace Initiative, in partnership with Jnana-Pravaha of Varanasi, the Sarnath International Nyingma Institute, and the Malaviya Centre for Peace Research. On November 8 the proceedings were held at the Sarnath International Nyingma Institute, which included a morning session on the topic 'Principles of a Dharmic Economy', moderated by Dr Tho Ha Vinh.¹ After Dr Tho gave an introduction to the topic, the author was asked to address the gathering. The following is the substance of his talk, adapted as an article—*Editor*.]

THIS MORNING WE ARE TO DISCUSS the possibilities of a dharma-based economy. But I think it will be useful if we first discuss where economic systems come from; the answer to that question is fundamental. How can we think of changing our economic system without first knowing the source of economic systems? Second, we will examine the present state of our existing economic system, in general terms. Third, we'll look at the principles that can serve as a new foundation for a dharma-based economy. And finally we'll look at some of the many efforts, the experiments already underway that are seeking to develop a new model.

So let us begin.

Where does our economic system come from? It isn't a part of nature, though economic activity is certainly intrinsic to human society; but a particular society organises that economic activity in a particular way. In other words, economic activity is natural to human society, but

the economic system that a particular society uses is human-conceived.

By 'human-conceived' I don't mean that people sat around and thought up the economic system any more than people think up language. No, it grew unconsciously; but how? It grew out of the stories we told ourselves and continue to tell ourselves, stories that answer fundamental questions: What is life? What is its purpose? Who am I? Who are other people and what is human society—that strange, intricately organised collective of other people? What is my relationship to the world, what are my responsibilities to the world, the world's responsibilities to me? What is of value? Such stories are the myths of a society, and every society has them, including a modern, scientific, technological, atheistic society.

It is a demonstrable fact that the economy we have at any point in history has been generated unconsciously from the stories we tell ourselves, the stories that a society tells itself. So with all human institutions, so with society itself. We have the justice system we have in any particular society because of the stories we believe about justice. We have the penal system we have because of the stories our society tells itself about the nature of criminals and retribution and redemption.

Our problem today is that our stories no longer work. They are built on contradictions, which is perhaps true of all stories,² but the contradictions in our present stories have become compounded to the breaking point. This is true

not just of the economy. Political systems around the world are largely broken, governmental and private institutions around the world are showing cracks, the idea of the nation-state is broken, the climate is broken because of the stories we have told ourselves about nature and the use of nature. The environment—that miraculous, extremely complex living envelope that sustains us and includes us—is itself broken because of our human stories. And all of these are interrelated; but today we will focus on the economy.

This general idea is fundamental to our discussion: our economy is built upon accepted stories, not upon facts of nature. It is fundamental, because its recognition bestows a flexibility of thought and action: the economy we have is not a law of nature, but a choice, even if it was chosen unconsciously.

Now let us move on and look at some of the contradictions inherent in our economy.

First, and most obvious of the contradictions, our economic system is based on growth, specifically growth of production, consumption, and total monetary value of the system. Its aim is not to attain an equilibrium which can be sustained indefinitely. Its aim is growth, economic expansion. The reason why it is based on growth is important, and not beyond the understanding of anyone here, but it would take all my time to explain the reason. So for now, suffice it to say that the reason has to do with the way money is conceived of, created, and accounted for in the present system. For long ages of human history, economic systems were not dependent on constant growth: it's a modern phenomenon and therefore not intrinsic to economic activity.

So the modern system is based on growth, but continual growth in a finite system is headed for disaster from the beginning, headed for breakdown. Yes, there have been people warning of this problem for a long time, but they have been

ignored because the economy has expanded far beyond anything anyone ever imagined possible two hundred years ago, and it is still expanding. So why not believe that it can continue growing?

Because it can't. It's a practical, not a theoretical, impossibility. Yes, the population of the world is far larger than experts ever thought possible for the earth to sustain one hundred and two hundred years ago, and the economy is far larger than thought possible, but sooner or later we *will* hit natural limits, and it looks like sooner rather than later is in store for us.

Tied to this idea of continual growth is the destruction of the commons. 'The commons' is an interesting concept, universal in human societies in some form or another; but the conceptual understanding of 'the commons' as well as the term itself is taken from medieval England. The forests, rivers, lakes, and streams of a locality were under the control or 'ownership' of the lord of the manor, but were held for the common use, and therefore common good, hence 'commons'. The timber and firewood, the herbal medicines that could be gathered, the wild foodstuffs, the animals for hunting, fish for catching, the water itself for household use, and grasslands for grazing one's herds, all were there for the common good. And a 'commoner' was one who used the commons, as opposed to the lord who controlled them. Add to that early concept of the commons, the resources recognised in more modern times: mineral rights, oil, and the broadcast spectrum of electromagnetic waves; these also become part of the commons, no longer under the lord of the manor but under the control of the state.

The modern capitalist economies³ have more and more depended for their growth on privatising and monetising the commons and then selling the goods of the commons back to citizens, while the private interests controlling the

resources profit. Lumber, oil, minerals, grazing rights, the tourism industry, the broadcast spectrum, bottled water—all are examples of the commercialisation of the commons, which leads to the disappearance in actual fact of the commons into private interests, and in the case of most physical resources, the eventual depletion or destruction—through overuse, pollution, mountaintop removal, and the like—of the resources themselves. And now, as more and more has been privatised, there is a rush to privatise water—the most essential resource for life after air. Air alone is safe for the time being, as no one has found a viable way to commercialise it—though they have found plenty of ways to pollute it, leaving the cost of clean-up largely to taxes collected from the public.

Thus, as the commons disappears into private control and eventual depletion, we are reaching the limits of growth. And no growth means death, within the context of the modern economic system. That is why China, for instance, is desperately buying up rights to resources all over the world, especially in Africa and South America. In the end that won't work, because when a country is faced with the massive hunger and thirst of its own people, it isn't going to honour pieces of paper saying that another country owns the rights to the resources there. And that, by the way, leads to the projected wars of resources.

And so we have a system built on the need for constant growth, the privatisation and destruction of the commons, and another related element, another part of the story we tell ourselves: happiness lies in material conquest, possession, control, extraction, and consumption, in that order. Let us look at the central equation in that statement: happiness equals material consumption. Material consumption is, of course, a part of nature itself: all living systems have to consume food and water and air. And resources for material

consumption have been organised in human society from the beginning, and as such it isn't in itself a problem: rather, it's life. Hinduism, for instance, since ancient times has recognised that two of the four principal aims of human life are personal possession, *artha* and sense enjoyment, *kama*, both related to material consumption.

But something happened in the late nineteenth century, continuing increasingly to the present day: the conversion of the citizen into the consumer. In isolated places and times in the ancient world, such as ancient Athens and Rome, citizenship was a well-developed concept, meaning more than just being a ruler's subject or a country's resident. Again in Europe, with the birth of the nation-state, the concept of citizenship began to grow, until with the birth of an independent United States, citizenship took on full significance once more, implying rights and responsibilities and participation in state decision-making, a significance which began to spread to countries around the world.

Moving forward two hundred years, after the attacks on the World Trade Center in New York City on 11 September 2001, the erstwhile US President George W Bush told the American public that they should go out and shop, and thereby prove to the terrorists that they had not defeated the American people. If he had said that two hundred years earlier, one hundred years earlier, even forty years earlier, there would have been national outrage at such an insult to the people's status as citizens—equating it with the ability to shop. But in 2001 the outrage was isolated, muted, and ineffectual. Why? There are several connected reasons.

Until the late nineteenth century, people's purchases were needs-based. People needed food, so they bought groceries. They needed clothes, so they bought something appropriate to wear, or the material to make their own. A carpenter

needed tools, so she or he bought them from the local blacksmith, according to the demands of her or his work. But in the late nineteenth century, entrepreneurs found that they could sell many more things if they could *create* needs: make people interested in buying something that they had never known that they needed, by explaining to them why this product would make them happier or more successful. First, such agents of consumerism found that women were an untapped potential: they were sold new and improved gadgets to make their housework easier, and then women's fashion spread from the rich to the burgeoning middle class, so that decent clothes were no longer enough: they needed the latest fashion, and 'fashion' was created by the people selling the clothing. The same spread to men.

Advertisers developed the art of equating happiness with consumption.

In the early twentieth century, a nephew of Sigmund Freud named Edward Bernays brought Freud's psychological discoveries to America and applied them to the advertising industry. One of his many successes was to sell cigarettes to women. Previously, in Western society, it was considered 'unladylike' for women to smoke. So he began an advertisement campaign which portrayed women smoking cigarettes defiantly to express and flaunt their new-found social independence. It caught on, much to the delight of the tobacco industry, and large numbers of women began to express their autonomy by smoking in public.

Also, manufacturers discovered that, if they made a light bulb, for example, that would last twenty years, they would sell one only once in twenty years for a particular socket. If, however, they made light bulbs that lasted two years, they would sell ten times as many. And so began the idea of planned obsolescence of products.

And thus the citizen has become largely

reduced to a consumer. 'Reduced', because as the citizen became a consumer, forces were also at work reducing his effective participation in governance, a topic of great importance but separate from the present topic of the economy.

Another element in the breakdown of our economic system is our very understanding of work—participation in the economy. The Protestant work ethic which was so effective in motivating people to engage in economic and other activity, and which was instrumental in the rise of modern capitalism, has outlived its usefulness. The stories out of which the Protestant work ethic developed are no longer vital, leaving modern society without a viable philosophy of work. A much simplified version of the Protestant work ethic can be expressed in two equations: hard work is a sign of morality, and worldly success is a sign of God's favour. But the Protestant Christian worldview on which this ethic was based is all but dead.

The first blow to this philosophy of work happened in the early nineteenth century. As the Industrial Revolution began to reshape society, people who had once earned their livelihood by farming or through manual skills, like blacksmithing and shoemaking, began to work for wages in factories. Previously they had worked with a degree of autonomy, producing a needed good in exchange for which they earned money, which in turn allowed them to buy the necessities of life; their work was associated with accomplishment, pride, and they had a well-defined place in society. As the economic system began to change, people could no longer support themselves in the old way, and were forced into urban labour pools. Now they worked in return for wages for someone who controlled production and distribution; they were cogs in a larger machine, and were replaceable. This was widely recognised as a new form of slavery—wage

slavery—when it first arose. Now it is taken as natural. Most people today work long hours all week, week after week, in order to get money: their work often has little or nothing to do with their sense of identity or with a sense of fulfilment. They work for a pay check which allows them to buy what they want, and to entertain themselves in the very little time left to them outside of the workplace.

Another element of the present economic dilemma is of very recent origin—the phenomenal growth of the financial sector in society, in Europe, the Americas, Japan, and increasingly in developing countries like India and China. The financial sector has been around as long as there has been some form of money. Its primary purpose is to make unused money available for use by those who need it and can put it to good use. You have extra money that is sitting idle; I want to start a small business, and I have all the know-how and drive to do it, but no money. So you make the money available to me directly, or, in a more complex society, through financial institutions. And my success is partly owned by you as my financier, and so you profit as I profit. That is a social good.

But in the late twentieth century and early twenty-first, the financial sector has grown huge, and has become a way to make money out of money, huge amounts of money, making some people fabulously wealthy: it's a legal form of gambling. The problem is, in itself it contributes nothing to society. It isn't generating wealth by producing a social good, and wealth has to come from somewhere: it can't just be wished into existence. And so it is coming at the expense of actual social good, and it—among several other factors—is helping to create wealth inequality that hasn't been seen in generations.

All of these problems that we have discussed—the need to foster constant economic growth

in order to service debt, the destruction of the commons, the conversion of the citizen into the consumer, the fostering of dissatisfaction in the populace in order to stimulate artificial wants-based—as opposed to needs-based—purchases, the decline of the work ethic, the introduction of wage slavery, the cancerous growth of the financial sector, as well as other factors, amplify one another.

And it's not that this system ever really worked well for human happiness. It was more of a promise of future happiness, plus present sufficiency of food and clothing and shelter and consumer choices and entertainment for enough citizen-consumers to prevent popular revolt.

But now it isn't working and gradually that will be evident to people. Right now there's general awareness that the system isn't working well, but most people, including most professional economists, believe that we just need to make some minor adjustments to get the engine of society going smoothly again. No, it's broken, not theoretically but actually, and the inherent contradictions can no longer be sustained.

So what is the way out? The solution is nothing short of a grand new story based on a new and truer view of self, of the world, of humanity, of meaning, of happiness, of freedom, of relationships, and of the meaning and purpose of life. That will be the real solution.

The problem is, we are at a point of desperation, and can't wait for a new story to percolate through society and take hold and express itself through new institutions: that takes generations. Yes, that will still have to happen, but short-term thinking is needed as well as long-term thinking. And we need experimentation with new models.

Now, then, let us first look at some broad ideas that need to form the basis of any new system, focussing on the economic aspect. And then we'll look at some of the experiments that are happening, and which show promise.

Since we are meeting here as representatives of the dharma traditions, we will speak of a dharma-based economic system, and what that might look like. Remember, all human institutions are based on stories; in fact, the very way in which we perceive the world is based on stories. And so, if the story told is based on dharma—broadly defined, non-sectarian, and aware of the universal principles that unite our traditions—how does that work itself out in economic terms?

First of all, whether you take the Buddhist principle of dependent origination or the Hindu and Sikh principle of the oneness underlying diversity,⁴ there is the basic shared principle that we are all connected, and that intimate connection is not just theoretical: with practice it begins to become perceptual. That is, it is factual. From that comes love for all, sympathy for all, compassionate action towards all.

And when that principle is applied to economics, we get an economy based on sharing. There is nothing wrong with the creation of wealth, if it is done ethically, but wealth is meant for distribution. Not a crude egalitarianism which mandates that everyone have exactly the same, but an equality of opportunity, plus the provision of everyone's basic needs and comforts, above and beyond which others are free to create more personal wealth. Sharing, rather than hoarding, needs to be favoured, structurally.

What else flows from this *dharmic* idea of connectedness? A model of cooperation rather than competition. Yes, competition is part of life, it's the basis of sports and many games, it is often what motivates a person to better oneself; but in the modern system, which started in the West with the decline of Christian spirituality, competition has come to be seen as the basic driving force of life. Of course, there is one exception as this works itself out in the present

society: those with power and resources are assiduous in reducing the competition that they face, while encouraging competition for everyone else. But competition isn't the basic driving force of life, not even in the animal kingdom. Cooperation is far more important to social wellbeing than competition.

What else? Because we are either all interdependent or ultimately all one, we are responsible for the welfare of others, because my own welfare lies in the welfare of others. And therefore service to others and self-sacrifice have to be intrinsic parts of the new story on which society is founded.

When I was a young monk, I was surprised to hear the head of the monastery speak of sacrifice as a grand and glorious thing. I knew sacrifice as something morally necessary, but to me it meant doing without something I really wanted in order to give it to someone else; that is, 'sacrifice' meant loss and frustration; it also meant I wasn't worthy, ever, because others were always more worthy. But I learned that the head of the monastery had heard different stories about sacrifice, which made it something glorious and liberating to him, it was something which made him larger. That's another topic, but again, it comes down to stories, and some stories are truer than others. The glory of service and self-sacrifice are part of a better story, based on a universal truth.

There are other foundational ideas, springing from our common understanding of karma and of a universal moral order underlying the universe—that is, a morality not based on the likes and dislikes of a deity, but one that is broad and impersonal, part of the structure of the universe. Karma and this universal moral order also work themselves out at the economic level, but there is no time to discuss that now; the larger implications are easily enough understood anyway.

Now, let us go from broad principles to more specific ideas. In the interests of time, I will

simply list the main ideas that follow from the preceding discussion, without explicitly stating the connection to *dharmic* principles, such connections being fairly obvious:

- We need to re-establish the commons, broadly, with the understanding that the basic resources necessary to sustain life belong to the people and cannot be privatised by corporations.
- We need an economy that finds its health in stasis, in equilibrium, not in constant growth.
- Privilege of opportunity must be reined in, not through a crude egalitarianism of resources, but an equality of opportunity, plus the provision of everyone's basic needs.
- The financial sector must once again serve the simple and boring purpose it was meant to serve: providing available money to those who demonstrate that they can use it well.
- We must go back to a needs-based economy that is not dependent upon stimulating an artificial and constant sense of want. Those real needs are not just material: they can be aesthetic, intellectual, social, cultural, religious, and so on.
- Corporations must serve social needs, responsibly, with consequences for irresponsible behaviour, and their political power must be subordinated to the power of the citizenry.
- The mad rush to privatise knowledge—through patenting and copyrighting—must be reined in. All patents and copyrights must be restricted to a shorter time-frame, as they once were, allowing an inventor or creator to get monetary benefit, after which the knowledge becomes public domain. Results of research at public universities and government-funded institutions must go directly into the public domain. And the realms of

knowledge which are patentable must be restricted: absolutely no patenting of life-processes, period; no patenting of simple computer routines and algorithms; limits on the patenting and pricing of life-saving pharmaceuticals; and so on.


- A new philosophy of work is desperately needed. Work as experimentation with Reality, work as self-exploration and world-exploration, work as self-expression, work as a means for manifesting the glory of the Self in Hindu, Sikh, and Jaina terms or the glory of the Enlightened Mind in Buddhist terms—in other words, 'work as yoga'—is the need of the age.

In conclusion, let me state that experiments are already underway in many parts of the world, effecting these very ideas. Some will work, some won't—that's the nature of experimentation. Those that work will tend to spread, *if enough people see the need and value in them*. But even those experiments that don't work deserve our gratitude, because they also are part of the process, and we learn at least as much from mistakes as from successes.

I wish to mention a few in order to show the variety of experiments that are underway, even if most of them are not consciously 'dharma based'; however they do illustrate some principles that a dharma-based economy would recognise. This is not an endorsement of any of the programs, because I haven't looked deeply into all of them, but just a short and incomplete list of examples. Local currencies that keep money circulating within a community are being tried in many places; worker cooperatives and worker-owned businesses are being tried; sustainable communities—with various definitions of 'sustainable'—are sprouting; the locally-grown food movement is spreading; 'solidarity economies', local economies, Buddhist economies,

Gandhian economies, and gift economies are all being tried. The GNH or Gross National Happiness program in Bhutan—whose Program Director, Dr Tho, is sitting next to me, and whose Executive Director, Dr Saamdu Chetri, is sitting over there—is a wonderful example of an innovative project. Food forests, distributed power generation systems, the Zapatista movement in Mexico, the Ejido Movement in Mexico—unfortunately and unfairly ended in 1992, after nine decades, as a concession to US demands—Auroville in Puducherry, the original Kibbutz movement in Israel, the libertarian socialism of the Kurds in northern Syria, all of these and many more are signs of the awakening to the need for new social models.

Eventually society itself—the living whole—will promote what works for its own survival. Society is an organism, not a machine, and like an organism, it follows its own laws of growth, and has its own self-corrective processes, like an auto-immune system, which we must work with, not against or in ignorance of. Therefore evolution rather than revolution is the path forward. That is, society itself will decide what it needs. Our part is not to impose our solutions, but to recognise the general need, to sow

the non-theological, life-giving, experiential ideas of dharma, and to be open to solutions as they develop. Out of that the society of the future will flower, for the welfare of the many, for the happiness of the many: *bahujanahitaya, bahujanasukhaya*. 

Notes

1. Dharmacharya in the Zen lineage of Thich Naht Hanh, and also the Program Director of the Gross National Happiness (GNH) Centre, Bhutan.
2. This is the view of the great Buddhist philosopher Nagarjuna.
3. And practically all economies now fall within the spectrum of capitalism. In the Soviet and Maoist systems, private ownership of capital was replaced by state ownership, which is really state capitalism—state-owned and state-planned economies as opposed to private enterprise systems. In a true socialist system, the workers in an enterprise collectively control production, distribution, and capital assets. Stalin instituted state capitalism and simply declared it socialism, and Mao followed his example.
4. The Jaina perspective here, though somewhat different from the Buddhist and Hindu-Sikh, can also be harmonised, but is not separately included in the interests of simplicity.

