A BUDDHIST ECONOMIST

U Thet Tun

In this "*Age of Refugees*", political refugees is a long-accepted notion with endless living examples seem daily in the media. Along with the political refugees came the "*economic refugees*", dramatically exemplified recently by the "*boat people*" from Vietnam. Less well-known, however, are the "*culture refugees*" and the "*spiritual refugees*". An example of the former are the wealthy American dowagers taking refuge from the brash culture at home in the "*old world*" civilization of Europe. More easily recognizable are the Western individuals seen at various meditation centres in India, Sri Lanka, Myanmar and Thailand. These are the people who in economic language are not satisfied merely with the material infrastructure of their lives in their developed countries but seek the spiritual superstructure in countries of ancient civilization in the East.

Recently, I came across a book, known in the United Kingdom as Alias Papa:**A life of Fritz Schumacher**, and in the United States Simply as **E.F. Schumacher, His Life and Thought**, written by his eldest daughter Barbara Wood in 1984. Schumacher was a political refugee from Nazi Germany who settled in pre-war England. His profession was economics like fellow refugees Frank Burchardt, Kurt Mandelbaum, Nicholas Kaldor, Thomas Balogh and Michal Kalecki who assembled at the Oxford Institute of Statistics during the Second World War.

> " In November 1949 three offers came Fritz Schumacher's way. The first was another U.N. post, this time in Geneva. Fritz turned it down, it was not what he wanted. The second was an invitation from the President of Burma asking Fritz to become his economic adviser. Again, Fritz turned it down. It was not what his family wanted. The third job fitted his hopes and aspirations exactly. It was from the British Government. Fritz was asked to return to England as Economic Adviser to the National Coal Board."

This was the official position Fritz was to occupy for the next 20 years.

Gandhism, Buddhism, energy supplies of the future, industrial development, the " *war on poverty* " - all these separate strands of thought occupied Fritz's mind and -as the different elements in the soil come together to produce a beautiful flower after the seed has been planted-were waiting to come together to nourish a new, more complete idea.

The " *seed* " which was to draw all these elements together was an invitation from the government of the Union of Burma to come to Burma as an Economic Adviser. The job was for a high-level economist, with considerable experience in the planning and execution of economic development plans, and a specialized knowledge of modern fiscal theory and practice. It was well paid, and funded by the United Nations. Fritz wanted very much to accept and the pressure from Burma was steady, with a constant stream of telegrams and letters. Eventually the Burmese Prime Minister approached the British Minister of Power, Hugh Gaitskell, directly. Fritz was given unpaid leave from the National Coal Board for 3 months at the beginning of 1955.

On January 2nd, 1955 Fritz left on his Oriental adventure, accentuating the change of lifestyles he was about to experience by stopping off first in New York... There in the cold he was prepared by the U.N. for his work in the heat of Burma... Spiritually he felt that the last 4 years had been preparation for this pilgrimage. ..The impact of Burma was far greater than he had expected ... He wrote to his wife Muschi:

> " The people really are delightful. Everything I had heard about their charms and cheerfulness proves to be true. They move about in a very strange way. There is an innocence here I had never seen before-the exact contrary of what disquieted me in New York. In their gay dances and with their dignified and composed manners, they are lovable and one really wants

to help them, if one but knew how. Even some of the Americans here say: " How can we help them, when they are much happier and much nicer than we are ourselves ? "

Fritz saw that the effect of economic contact between East and West had not been to transfer Western economic philosophy, which had made the economic development of the West possible, but had merely transferred Western demands. He realized that economic development in Burma was not a question of matters such as trading arrangements, it was far more fundamental, it required a different kind of economics altogether, a "*Buddhist economics*". Fritz discussed this approach in a paper entiled "*Economics in a Buddhist Country*". A Buddhist approach to economics would be a "*middle way*", Fritz suggested, based on two principles. The first was definition of limits. A Buddhist approach would distinguish between misery, sufficiency and surfeit. Economic progress is good only to the point of sufficiency, beyond that, it is evil, destructive, uneconomic. Secondly, a Buddhist economy would make the distinction between "*renewable*" *and* "*non-renewable*" resources. A civilization built on renewable resources, such as the products of forestry and agriculture, is by this fact alone superior to one built on non-renewable resources, such as oil, coal, metal, etc. This is because the former can last, while the latter cannot last. The former co-operates with nature, while the latter robs nature. The former bears the sign of life, while the latter bears the sign of death.

These two principles, inseparably linked, were an astonishing statement for a Western economist to make in 1955 when the emphasis everywhere was on growth, increasing exploitation of seemingly unlimited supplies of natural resources, when the only bottleneck that was recognized was that much needed resources could not be got out of the ground fast enough. It was some 15 years late before Limits to Growth shocked the world by announcing that non-renewable resources were not only limited but were fast running out.

The Economic and Social Board of Burma was not impressed by this exposition. Fritz had also recommended that the Burmese Government should reverse all its development policies and reduce its dependency on Western advisers. No Western adviser should be without a Burmese counterpart and steps should be taken at once to train young economists.

The Executive Secretary to the Economic and Social Board, U Thant, later Secretary General of the United Nations, with whom Fritz was supposed to work, had only taken up his post the day Fritz arrived in Rangoon. According to Fritz, U Thant, in spite of his exceptional qualities in many other directions, had neither the time nor the inclination, nor indeed the ability and background knowledge, to fill the post effectively. He was himself fully aware of all this; as it happened he held the post only for 3 months, but these were precisely the 3 months of Fritz's stay in Rangoon. It was a period during which, as one might say, "*Hamlet*" was played without the Prince of Denmark. The centre piece of the economic planning machine (apparently referring to ICS U Hla Maung) had been removed and had not been effectively replaced."

If I may strike a personal note here, one could also say that, the Assistant to the Prince of Denmark was also missing. As the ranking economist in the Burmese Government, I would certainly have been made Schumacher's technical counterpart but for the fact that I was at that juncture about to leave for Bangkok for a year's service with ECAFE.

" Fritz confided in his mother what was to be the highlight and real purpose of his visit to Burma. He had come to learn Buddhist meditation. .. Buddhists were all around him and yet it was difficult at first to make the contacts that would lead him to a "master", to gain him entrance into inner or higher circles. Strangely it was two Germans who opened the doors for him. The first was a 60-year-old German by the name of Georg Krauskopf. He had been a Buddhist

for 40 years and was the German representative of a World Buddhist Congress that had just been held in Burma. He had stayed on to study meditation and as soon as Fritz heard about his presence in Burma he looked him up. Fritz managed to find him in a very lonely place, looking very strained and somewhat exhausted. He had just finished his course and not knowing any English felt utterly lost and lonely. The astonishment and delight on his face as Fritz approached him cannot be described. Fritz said that during that week he had learned many things from him which it would have taken months to discover otherwise.

The other German was a Buddhist scholar, Frau Dr Kell. Fritz described her as his " best contact here... she has real knowledge, has been here for a year, and works with some of the greatest Buddhist scholars... I have met more Burmese through her than through the job. "

Through her eventually it was arranged that he should spend every weekend in the most highly respected monastery of Burma. It was the most difficult and most rewarding task he had ever undertaken. Slowly he was taken through the steps of meditation. At first, sitting in his monk's cell, he was allowed only to watch the rising and falling of his abdomen, mentally repeating, "*rising, falling, rising, falling*", as he breathed. His intellect which was normally never still, had to be pushed to one side. His mental effort had to be directed towards a concentration on what seemed essentially to be nothing. His quarter of an hour's "*work*" had already shown him how difficult this could be. His intellect, which he had thought was a tool he could direct wherever he pleased, shows itself to be a completely untrained, undisciplined intruder into the silence, roaming around introducing distractions. The monks taught him how to cope with the distractions, how to still his restless mind.He was taught not to worry; merely to note the distractions but not to follow them or fix on them, and then to return to his task of attending to the movement of his abdomen.

After some time the monks allowed Fritz to progress to the next stage. He left his cell to pace up and down the monastery garden, concentrating on each movement of his body as he walked, noting his distractions and returning his attention to his body.

At last he was deemed ready to be initiated into the deeper secrets of meditation and instead of fixing his mind on his body he was given a prayer, or mantra, to repeat. As he persisted in these exercises he found that their effect was quite unexpected. Not only did he feel a profound peace and stillness afterwards, much greater than he had experienced with his daily "work", but he found he had a new clarity of thought which made him realize that what he had regarded as clear thinking before was in fact nothing of the kind. It was only when he had stilled his ever- restless intellect that he began to feel true understanding. He realized he had found the gold he was seeking. With words paraphrased from scripture he described the experience: "I came to Burma as a thirsty wanderer, and there I found living water."

On my return from ECAFE, I came upon Schumacher's papers and was enthralled by them. Among other things, they reassured me in my differences with the American advisers. Still later, in 1973, I read his epoch making book **Small Is Beautiful.** In it Schumacher argued that since " *Right Livelihood* " is one of the requirements of the Buddha's Noble Eightfold Path, there must be such a thing as Buddhist economics.

"The Buddhist point of view takes the function of work to be at least threefold: to give a man a chance to utilize and develop his faculties; to enable him to overcome his ego-centredness by joining with other people in a common task; and to bring forth the goods and services needed for a becoming existence. Again, the consequences that flow from this view are endless. To organize work in such a manner that it becomes meaningless, boring, stultifying, or nerve-racking for the worker would be short of criminal; it would indicate a greater concern

with goods than with people, an evil lack of compassion and a soul-destroying degree of attachment to the most primitive side of this worldly 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.

From the Buddhist point of view, there are therefore two types of mechanization 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. The craftsman himself can always, if allowed to, draw the delicate distinction between the machine and the tool. The carpet loom is a tool, contrivance for holding warp threads at a stretch for the pile to be woven round them by the crafts man's fingers; but the power loom is a machine, and its significance as a destroyer of culture lies in the fact that it does the essentially human part of the work.

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 maximization of employment nor the maximization 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.

While the materialist is mainly interested in goods, the Buddhist is mainly interested in liberation. But Buddhism is "*The Middle Way*" and therefore in no way antagonistic to physical well-being. It is not wealth that stands in the way of liberation but the attachment to

weath; not the enjoyment of pleasurable things but the craving for them. The keynote of Buddhist economics, therefore, is simplicity and non-violence. From an economist's point of view, the marvel of the Buddhist way of life is the utter rationality of its pattern-amazingly small means leading to the extraordinarily satisfactory results.

The modern economist is used to measuring the "*standard of living*" by the amount of annual consumption, assuming all the time that a man who consumes more is "*better off*" than a man who consumes less. A Buddhist economist would consider this approach excessively irrational: since consumption is merely a means to human well-being, the aim should be to obtain the maximum of well-being with the minimum of consumption.... It is easy to see that the effort needed to sustain a way of life which seeks to attain the optimal pattern of consumption is likely to be much smaller than the effort needed to sustain a drive for maximum consumption. We need not be surprised, therefore, that the pressure and strain of living is very much less in, say, Burma than it is in the United States, in spite of the fact that the amount of labour-saving machinery used in the former country is only a minute fraction of the amount used in the latter.

From the point of view of Buddhist economics, therefore, production from local resources for local needs is the most rational way of economic life, while dependence on imports from afar and the consequent need to produce for export to unknown and distant peoples is highly uneconomic and justifiable only in exceptional cases and on a small scale. Just as the modern economist would admit that a high rate of consumption of transport services between a man's home and his place of work signifies a misfortune and not a high standard of life, so the Buddhist economist would hold that to satisfy human wants from faraway sources rather than sources nearby signifies failure rather than success.

It is in the light of both immediate experience and long-term prospects that the study of Buddhist economics could be

recommended even to those who believe that economic growth is more important than any spiritual or religious values. For it is not a question of choosing between "*modern growth*" and "*traditional stagnation.* "It is a question of finding the right path of development, the Middle Way between materialist heedlessness and traditional immobility, in short, of finding "*Right Livelihood.*"

According to Vermont state senator John McClaughry (Ronald Reagan's senior policy advisor in the 1980 presidential campaign), **Small Is Beautiful** sub-titled "*Economics as if People Mattered*" became a rallying cry, and its author became a sudden hero, almost a cult figure. "In the 4 years left to him (he died in September 1977 at the age of 66) Fritz saw many of his ideas become commonplace, and a legion of new voices raised to carry on is work in E.F.Schumacher Societies and the Intermediate Technology Development Groups throughtout Europe and America. His Buddhist economics prodded Westerners to reexamine their underlying beliefs about man's domination of nature and the utility of ever- increasing production. His advocacy of appropriate technology gained considerable currency, especially in the United Nations system of technical assistance. His concern about the exhaustion of the planet's resources amplified earlier works, such as Harrison Brown's The Challenge of Man's Future (1954) and gave new impetus to a whole generation of environmental defenders. His theory of large-scale organization was echoed in such best- selling works as Thomas Peter's and Robert H.Waterman's In Search of Excellence, and his argument for the importance of human entrepreneurship predated George Gilder's more expansive Wealth and Poverty.

To go back to my original theme of refugees, Buddhist Myanmar should be proud to have received such a discerning spiritual refugee as E.F.Schumacher and to have relaunched him as the world famous Buddhist economist.