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Cambodia Buddhist Economics, Sustainability, and Wisdoms*

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Abstract

In Buddhist doctrines such as the Four Noble Truths and Non-violence *(Ahimsa)*, the philosophical foundation of Buddhist economics, true well-being arises not from consumption but from a mindful reduction of desires. This philosophy translates into economic practices that promote environmental sustainability. Unlike the Western models, which seek short-term growth, this model recognizes the impermanence *(Anicca)* and interconnectedness of everything alive. According to 'Right Livelihood,' businesses should engage in activities that do not harm the environment while ensuring fair shares for all living beings. How can Buddhist economics act as a moral framework leading to sustainability—a way forward for humanity on earth?

Keywords: Interconnectedness, Buddhist Economics, Sustainability, The Four Noble Truths, Mindful Consumption

Introduction

It is well-acknowledged that the traditional economic models focused on endless growth, consumerism, materialism, and self-interest and did not consider the well-being of people and nature. The environment is usually regarded as a non-priced resource, while humans are regarded as a type of resource that can be exploited for productivity. It is astonishing that, with the deliberate choice and technologies, humans are unique among animals in their ability to consciously and consistently engage in activities that destroy their own and only habitable planet. Human activities have drastically impacted the earth's geology and ecosystems through industrialization, modernization, technological advancement, and the destruction of natural habitats to such an extent that some scholars have called this period the Anthropocene, a significant epoch of the earth's natural history.

Current global challenges extend beyond isolated events like pandemics, invasions, or fossil fuel usage. They stem from the fundamental flaws within our economic systems. Evidence indicates that the global economic system faces critical issues, leading to social and environmental crises that defy resolution in their current state. These

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crises endanger not only the economic system but also the broader social and environmental fabric.

Buddhist economics (Figure 1), as a strategy rather than a system, challenges the principles of Western economics (Zsolnai, 2007). It values human satisfaction over consumption and the pursuit of wisdom, particularly the doctrines of dependent arising and selflessness (Ng, 2020; Pryor, 1990). The Western economic concept views the latter as an oxymoron, given that self-interest lies at the heart of the modern economy. As Adam Smith, the father of modern economic study, said, "It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their self-interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our necessities but of their advantages" (Smith, 1776). Or simply put, every man for himself. Indeed, the assumption of market economic theory, as it is later known, can be summarized in one sentence: individuals are rational, and they constantly try to maximize their utility.

Feature	**Western Economics**	**Buddhist Economics**
Primary Goal	Economic growth, maximization of utility and profit	Balanced well-being, reduction of suffering
Values	Individualism, competition, efficiency	Moderation, interdependence, right livelihood
Consumption	Emphasis on material wealth and consumption	Mindful consumption, focus on needs over wants
Nature	Resource to be exploited for economic gain	Interconnected with humans, requires respect and preservation
Metrics of Success	GDP growth, material standard of living	Quality of life, well-being, happiness
Role of Government	Limited intervention, focus on free markets	Promote ethical practices, ensure social and ecological balance

Figure 1: Buddhist economics from the perspective of the mainstream economic system.

But people are not always rational; they are emotional creatures. Any economist working in financial market research can almost always tell you that people are often overconfident and sometimes overreactive more than they should be. The panic and bank run that occurred during the Global Financial Crisis of 2007–2008, following the collapse of Lehman Brothers, an investment bank in the United States, serve as clear evidence. In addition, individuals do not constantly try to maximize their utilities; they also care about fairness (Chang, 2014). Simon (1990) calls the limitation in human rational decision-making a bounded rationality, as people do not always have perfect knowledge and information to make a rational decision. Occasionally, their decisions are also based on "thinking fast" without putting in a conscious effort in the process (Kahneman, 2011). In response to these flaws of homo economicus and the critical nature of the

Anthropocene, how can ancient wisdom, such as Buddhist economics, offer viable solutions to contemporary issues of sustainability?

Principles of Buddhist Economics

The term "Buddhist Economics" was coined by Schumacher in his book *Small Is Beautiful: Economics As If People Mattered,* published in 1973 (Schumacher, 2010). It values human satisfaction over consumption and the pursuit of wisdom, particularly the doctrines of selflessness (Ng, 2020; Pryor, 1990). He advocated for an alternative system that prioritizes the development of individual character and human liberation over material possessions and ever-expanding desires. The objective of Buddhist economics is to achieve the highest level of well-being while minimizing consumption. Buddhist Economics posits that economic development ought to cater to the people's needs, guided by ethical values and sustainable practices.

Similarly, the emphasis is on the humanistic approach of Buddhism to development, while it is argued under the context of the four noble truths in Buddhism that underdevelopment is the cause of development (Sapkota, 2022). In Buddhist thought, *Dukkha* (suffering) arises from our attachment to impermanent things *(Anicca)* (អនិច្ចា ឬមិនទៀង), including material possessions. This realization highlights the limitations of an economic system that prioritizes individual accumulation over collective flourishing. The Buddha's teachings urge us to overcome Dukkha caused by desires or attachments *(Taṇhā)* (តណ្ហា) through cultivating a system that values the well-being of all beings and the environment. This approach acknowledges that true happiness *is found in interconnectedness and interdependence (Paticcasamuppāda)* (បដិច្ចសមុប្បាទ) *(cause and effect)* (ច្បាប់កម្មផល)*, instead of in* individual gain. This is a key concept in Buddhism commonly translated as dependent origination or dependent arising. It posits that all Dharmas (phenomena) arise in dependence upon other Dharmas. For example, a tree arises dependent on factors such as the soil it grows in, the sunlight it receives, the water it absorbs, and the insects that pollinate its flowers; each of these factors has a causal influence on the tree's growth and development. By recognizing the futility of self-interest and materialism, Buddhist Economics offers a more holistic and sustainable path forward, balancing individual needs *(Santosa)* (សន្តោស) with the greater good.

At the heart of Buddha's teaching lie the Four Noble Truths (អរិយសច្ចៈ), which form the foundation of understanding the world's nature and outline the nature of suffering *(dukkha)* and the path to liberation from suffering. The first Noble Truth identifies that suffering exists and is an inherent part of life, while the second noble truth identifies the cause of suffering, which is craving *(Taṇhā)* rooted in ignorance *(avijja)*. The third Truth explains that suffering can be ended. The fourth Truth presents the path to the cessation of suffering, and it emphasizes the need to overcome desires and attachments. This liberation can be done through the Eightfold Path, also known as the Middle Path *(majjhimā patipadā),* which provides a guiding framework for releasing the world from suffering and building sustainable economic development. This path consists of *Right understanding, Right thought, Right speech, Right action, Right livelihood, Right effort, Right concentration,* and *Right mindfulness*. I am going to delve into some of these principles and how they can guide us in addressing our current challenges in sustainable development.

1. **Right Action** (*Samma Kamanta* - សម្មាកម្មន្តៈ) is a cornerstone principle of the eightfold path, guiding individuals to eschew unwholesome, dishonest, or harmful conduct that injures themselves, others, or the environment. By emphasizing ethical and responsible behavior, this principle prompts individuals to consider the far-reaching consequences of their actions on themselves, their relationships, and the world at large. The concept of non-violence (*Ahimsa* - អហិង្សា) is a central aspect of Right Action, encompassing not only physical harm but also verbal and mental harm. In its practical application, Right Action translates into a commitment to minimize negative externalities such as pollution and promote sustainable practices that prioritize long-term environmental stewardship and social responsibility.
2. **Right Livelihood** (*Samma Ajiva* - សម្មាអាជីវៈ): Buddha's teachings encourage pursuing professions that are wholesome, honest, and benefit others. The Buddha discourages industries associated with weapons, illegal drugs, gambling, or activities that promote greed, deceit, or harm. The concept of "Right Livelihood" promotes earning a living ethically and without causing harm to oneself or others, including the environment.
3. **Sufficiency and Simplicity** (*Santosa* - សន្តោស): Buddhist values promote living within one's means and finding contentment in simplicity. The focus lies on meeting basic needs rather than chasing endless material desires. This principle encourages practices like reducing waste, conserving resources, and cultivating gratitude. Similarly, the concept of the sufficiency economy promotes self-reliance and self-sufficiency, balanced resource use, local production, needs-based consumption, and community resilience.
4. **Sharing** (*Dana - ទានៈ)*: Sharing and generosity are central to Buddhist principles. Equitable distribution of resources and wealth is emphasized, encouraging individuals to prioritize collective well-being over individual gain. The practice of Dana cultivates virtues such as generosity, kindness, compassion, and selflessness, while it is also considered a means to reduce attachment and selfishness, create positive karmic effects, and promote a sense of unity and well-being within communities.
5. **Mindful Consumption** (*Mattannutā* - មត្តញ្ញុតា/ ការស្គាល់ប្រមាណក្នុងការបរិភោគ និងប្រើប្រាស់): Buddhist principles advocate for mindful and moderate consumption, avoiding excessive materialism. This involves considering the environmental impact of choices and supporting businesses with ethical and sustainable practices. Mattannutā invites us to be conscious of what we take in—whether it's food, sensory experiences, intentions, consciousness, or teachings. By doing so, we cultivate wisdom and compassion.

6. **Non-self** (*Anattā* - អនត្តា) or selflessness.

   This core belief challenges the idea of a fixed, unchanging self. In Buddhism, everything, including individuals, is constantly changing and lacks an inherent, independent nature. The belief in a permanent self (ātman) is considered a fundamental misunderstanding (ignorance, avijjā). The concept of Anattā emphasizes that what we conventionally perceive as "self" (such as body, feelings, thoughts, and consciousness) is impermanent and subject to constant change. By letting go of this attachment to a false self (through ethical living and meditation), individuals can progress towards enlightenment (San, 2024). This concept of “anatta” exposes the limitations of self-interest and materialism in achieving collective well-being. It suggests true happiness does not lie in accumulating wealth or possessions. Instead, recognizing the impermanence and interconnectedness of all things, Buddhist Economics prioritizes collective good over individual gain.
7. **Interconnectedness** (*Paticcasamuppāda* - បដិច្ចសមុប្បាទៈ): Along the line of non-self and collective well-being and recognizing the interconnectedness of all beings and the environment, Buddhist Economics emphasizes cooperation, compassion, and social responsibility. Businesses are encouraged to consider the social impact of their actions and promote inclusive and equitable practices. This core Buddhist principle emphasizes interdependence, meaning everything is connected. This extends to the well-being of individuals, society, and the environment. Sustainability requires understanding this interconnectedness.
8. **Inner Development** (*Citta bhāvanā* - ចិត្តភាវនា/ ការអភិវឌ្ឍចិត្ត**)**: Finally, Buddhist Economics recognizes the importance of inner development alongside economic progress. Cultivating qualities like mindfulness, compassion, and wisdom in individuals and businesses is encouraged. The aim is to create an economic system that supports the well-being and spiritual growth of individuals and society.

Conclusions and future research

Buddhist economics provides a critical framework amidst today's polycrisis, emphasizing compassion, interconnectedness, and sustainable practices to address climate change and economic dysfunction. It advocates for non-violence, mindful consumption, and cooperation to protect the environment, promoting a shift towards human-centered development that fosters harmony and addresses societal suffering through ethical conduct and moderation. Embracing these principles not only offers a pathway to sustainability but also challenges the prevailing paradigms of growth and consumption, urging a fundamental reevaluation of our approach to development to secure a more equitable and resilient future for all.

Future research may address several important questions. For comparative studies, how do the principles of Buddhist economics compare with the Confucian ideals of harmony, virtue, and social order in promoting sustainable and ethical economic practices? How can philosophers contribute to the development of Buddhist economics by incorporating wisdom and ethical considerations into the analysis of contemporary economic systems? For policymakers and development practitioners, what are the implications of integrating these philosophical frameworks into contemporary economic systems, or in other words, moving from homo economicus to Homo Buddhicus? How have such principles been applied to national policies and development plans by leaders, particularly statesmen and kings who follow Buddha's teachings and principles of Buddhist economics?

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