



Buddhist Economics and Modern Economics: A Comparative Study

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Abstract

Modern economics is predominantly grounded in the principle of maximizing production and consumption, often equating economic success with material growth and efficiency. In contrast, Buddhist economics emphasizes the maximization of human well-being through the minimization of suffering and the cultivation of ethical and mindful consumption. This paper critically examines Buddhist economics as a significant alternative to the dominant Western economic paradigm. Drawing on the contributions of E. F. Schumacher, P. A. Payutto, and other contemporary scholars, the study highlights how Buddhist economic thought challenges core assumptions of modern economics, particularly its emphasis on self-interest, consumerism, and unlimited desire. The objectives of this study are threefold: (i) to analyze the fundamental differences between modern economics and Buddhist economics; (ii) to reinterpret contemporary global challenges—such as inequality, environmental degradation, and psychological distress—through a Buddhist economic perspective; and (iii) to propose a balanced path of development grounded in the Middle Way (*majjhimā paṭipadā*), avoiding both excessive materialism and rigid traditionalism. Buddhist economics advances key principles including the reduction of suffering (*dukkha*), the moderation of desire (*taṇhā*), non-violence (*ahiṃsā*), ethical livelihood (*sammā-ājīva*), and compassion-based social relations. Rather than functioning as a rigid economic system, it is better understood as a flexible ethical framework applicable across diverse economic contexts. It prioritizes quality of life not merely in terms of material comfort, but also in relation to mental well-being, social harmony, and the ultimate liberation of the mind from unwholesome tendencies. The study argues that integrating Buddhist economic principles into contemporary discourse can contribute to a more sustainable, equitable, and peaceful model of development, thereby bridging the gap between material progress and inner well-being.

Keywords: Buddhist Economics, Sustainable Development, Inner Peace, Right Livelihood, Well-being

Modern Economics

Modern economics is fundamentally concerned with the study of how individuals and societies allocate limited resources to satisfy unlimited human wants. It examines everyday human activities, including production,

consumption, and exchange, and seeks to understand how choices are made under conditions of scarcity. In this sense, economics operates as both a theoretical and practical discipline that shapes human behaviour and social organization.

At the core of modern economic theory lies the concept of scarcity, which refers to the imbalance between unlimited human desires and finite resources. This condition necessitates decision-making at both individual and collective levels. Resources, commonly referred to as factors of production, are traditionally categorized into land, labour, and capital. Land includes natural resources such as minerals, forests, and energy sources; labour encompasses both physical and intellectual human effort; and capital refers to man-made tools, machinery, and infrastructure used in the production process. These elements form the structural basis of economic activity.

The intellectual foundation of modern economics can be traced to classical theorists such as Adam Smith, who emphasized the role of self-interest in driving economic efficiency and growth. According to classical economic thought, individuals pursuing their own interests inadvertently contribute to the overall welfare of society through market mechanisms. This perspective laid the groundwork for capitalist systems, where minimal government intervention and market self-regulation are considered ideal.

However, alternative theoretical frameworks have emerged in response to the limitations of classical economics. Karl Marx critically examined capitalism, arguing that it inherently leads to exploitation, inequality, and class conflict due to the concentration of ownership over the means of production. Marxist theory thus highlights the socio-economic tensions embedded within capitalist structures. Similarly, the Keynesian approach, developed by John Maynard Keynes, advocates for active government intervention to stabilize economic fluctuations, particularly during periods of recession or inflation. This perspective has significantly influenced contemporary economic policy in many countries.

In defining the scope of economics, Paul Samuelson describes it as a social science concerned with how societies utilize scarce resources with alternative uses to produce goods and services for present and future consumption. This definition expands earlier formulations by emphasizing not only allocation but also intertemporal decision-making and societal welfare.

Despite its analytical sophistication, modern economics has been increasingly critiqued for its narrow focus on material growth, consumption, and utility maximization. It often assumes that human well-being is directly proportional to increased consumption, thereby neglecting the ethical, psychological, and spiritual dimensions of human life. This limitation becomes particularly significant when viewed from a Buddhist perspective, which emphasizes the reduction of suffering (*dukkha*) and the transformation of desire (*taṇhā*) as central to genuine well-being.

Buddhist Economics

Buddhist economics is a spiritual approach to economics. It examines the psychology of the human mind and the anxiety, aspirations, and emotions that direct economic activity. A Buddhist understanding of economics aims to clear the confusion about what is harmful and beneficial in the range of human activities involving production and consumption, and ultimately tries to make human beings ethically mature. It tries to find a middle way¹ between a purely mundane society and an immobile conventional society.

That's precisely what the influential German-born British economist, statistician, Rhodes Scholar, and economic theorist E. F. Schumacher explores in his seminal 1973 book *Small Is Beautiful: Economics as if People Mattered* (public library) — a magnificent collection of essays at the intersection of economics, ethics, and environmental awareness, which earned Schumacher the prestigious Prix Européen de l'Essai Charles Veillon award and was

¹The **Middle Way** or **Middle Path** (**Pali**: Majjhimāpaṭipadā; **Sanskrit**: Madhyamāpratipad^[1]; **Tibetan**: བུལ་མེད་ལམ།, **THL**: *Umélam*; **Chinese**: 中道; **Vietnamese**: *Trung đạo*; **Thai**: มัชฌิมาปฏิปทา) is the term that **Gautama Buddha** used to describe the character of the **Noble Eightfold Path** he discovered that leads to **liberation**.

deemed by The Times Literary Supplement one of the 100 most important books published since WWII. Sharing an ideological kinship with such influential minds as Tolstoy and Gandhi, Schumacher's is a masterwork of intelligent counterculture, applying history's deepest, most timeless wisdom to the most pressing issues of modern life in an effort to educate, elevate and enlighten.

The guidance provided by Buddhism about forms of economy is examined, focusing on individual and social aspects of Buddhist practice, rather than literal readings of the canonical texts. The case of the village-level development organization in Sri Lanka, Sarvodaya Shramadana, illustrates issues concerning Buddhist approaches to organization at the micro level. The impact of the Buddhist institution of the laity supporting monks on economic growth is considered, and the role of material welfare in a Buddhist conception of development. This examination of Buddhism suggests that its practice reveals insights into approaches to economy².

The central importance of Gandhi to nonviolent activism is widely acknowledged. There are also other significant peace-related bodies of knowledge that have gained such popularity in the West in the relatively recent past that they have changed the directions of thought and have been important in encouraging social movements - yet they have not been analyzed in terms of antecedents, especially Gandhian ones. The new environmentalism in the form of deep ecology, the discipline of peace research and what has become known as 'Buddhist economics' very closely mirror Gandhi's philosophy. This article analyses the Mahatma's contribution to the intellectual development of three leading figures in these fields: Arne Naess, Johan Galtung and E. F. Schumacher and argues that those who want to make an informed study of deep ecology, peace research or Buddhist economics, and particularly those who are interested in the philosophy of Naess, Galtung or Schumacher, should go back to Gandhi for a fuller picture³.

One of the most compelling essays in the book, titled "Buddhist Economics," applies spiritual principles and moral purpose to the question of wealth. Writing around the same time that Alan Watts considered the subject, Schumacher begins:

"Right Livelihood" is one of the requirements of the Buddha's Noble Eightfold Path. It is clear, therefore, that there must be such a thing as Buddhist economics.

Spiritual health and material well-being are not enemies: they are natural allies.

Traditional Western economics, Schumacher argues, is bedeviled by a self-righteousness of sorts that blinds us to this fact — a fundamental fallacy that considers "goods as more important than people and consumption as more important than creative activity." He writes:

Economists themselves, like most specialists, normally suffer from a kind of metaphysical blindness, assuming that theirs is a science of absolute and invariable truths, without any presuppositions. Some go as far as to claim that economic laws are as free from "metaphysics" or "values" as the law of gravitations.

From this stems our chronic desire to avoid work and the difficulty of finding truly fulfilling work that aligns with our sense of purpose. Schumacher paints the backdrop for the modern malady of overwork:

There is universal agreement that a fundamental source of wealth is human labor. Now, the modern economist has been brought up to consider "labor" 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.

The consequences of these attitudes both in theory and in practice are, of course, extremely far-reaching. If the ideal with regard to work is to get rid of it, every method that "reduces the work load" is a good thing. The most potent

²Simon Zadek. The American Journal of Economics and Sociology, Vol. 52, No. 4 (Oct., 1993), pp. 433-445

³[Thomas Weber](#), School of Sociology, Politics and Anthropology, La Trobe University, [Journal of Peace Research](#), 1999

method, short of automation, is the so-called “division of labor”... Here it is not a matter of ordinary specialization, which mankind has practiced from time immemorial, but of dividing up every complete process of production into minute parts, so that the final product can be produced at great speed without anyone having had to contribute more than a totally insignificant and, in most cases, unskilled movement of his limbs.

Schumacher contrasts this with the Buddhist perspective:

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-centeredness 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 little 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.

With an undertone of Gandhi’s timeless words, Schumacher writes:

Buddhist economics must be very different from the economics of modern materialism, since the Buddhist sees the essence of civilization not in a multiplication of wants but in the purification of human character. Character, at the same time, is formed primarily by a man’s work. And work, properly conducted in conditions of human dignity and freedom, blesses those who do it and equally their products.

But Schumacher takes care to point out that the Buddhist disposition, rather than a condemnation of the material world, is a more fluid integration with it:

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 wealth; 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 extraordinarily satisfactory results.

This concept, Schumacher argues, is extremely difficult for an economist from a consumerist culture to grasp as we once again bump up against the warped Western prioritization of productivity over presence:

The modern Western 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.

The ownership and the consumption of goods is a means to an end, and Buddhist economics is the systematic study of how to attain given ends with the minimum means.

Western economics, on the other hand, considers consumption to be the sole end and purpose of all economic activity, taking the factors of production — land, labor, and capital — as the means. The former, in short, tries to maximize human satisfactions by the optimal pattern of consumption, while the latter tries to maximize consumption by the optimal pattern of productive effort.

This maximization of “human satisfactions,” Schumacher argues, is rooted in two intimately related Buddhist concepts — simplicity and non-violence:

The optimal pattern of consumption, producing a high degree of human satisfaction by means of a relatively low rate of consumption, allows people to live without great pressure and strain and to fulfill the primary injunctions of

Buddhist teaching: “Cease to do evil; try to do good.” As physical resources are everywhere limited, people satisfying their needs by means of a modest use of resources are obviously less likely to be at each other’s throats than people depending upon a high rate of use. Equally, people who live in highly self-sufficient local communities are less likely to get involved in large-scale violence than people whose existence depends on worldwide systems of trade.

Writing shortly after Rachel Carson’s *Silent Spring* sparked the modern environmental movement, Schumacher presages the modern groundswell of advocacy for sustainable locally sourced products:

From the point of view of Buddhist economics ... 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.

He concludes by framing the enduring value of a Buddhist approach to economics, undoubtedly even more urgently needed today than it was in 1973:

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 to development, the Middle Way between materialist heedlessness and traditionalist immobility, in short, of finding “Right Livelihood.”

Differences: Modern Economics and Buddhist Economics

One is the capabilities and freedom approach of Amartya Sen, for which he won the Nobel Prize. And he’s a wonderfully deep thinker, in that he explains very carefully what’s wrong with the mainstream neoclassical model. He says that you absolutely have to be able to compare rich people and poor people and their wellbeing, and you absolutely have to care about inequality. He comes from India and his contribution is in development economics, so he says, “What do people get from the economy and from economic growth?” What they want is a better life. He developed an economic model that looks at how well people can live their lives, and that includes very basic things, like their health, their education, their integration into society. We care a lot about the distribution of income within a society. So he developed a model, for which he won the Nobel Prize, which has had an enormous impact.

There are a number of differences between Western and Buddhist economics.

First, while Modern Economics concentrates on self-interest, the Buddhist view challenges it by changing the concept of self to Anatta or no-self. It posits that all things perceived by one's senses are not actually "I" or "mine" and therefore, humans must detach themselves from this feeling. They believe that the self-interest based, opportunistic approach to ethics will always fail. According to them, generosity will work because human beings are hominess reciprocates who tend to reciprocate to feelings (either positively or negatively) by giving back more than what is given to them.

Second, Western economists give importance to maximizing profits and individual gains while the underlying principle of Buddhist economists is to minimize suffering (losses) for all living or non living things. Studies conducted by them have shown that human beings show greater sensitivity to loss than to gains and therefore people should concentrate more on reducing the former.

Third, there is a difference with respect to the concept of desire. Western Economics encourages material wealth and desire because of which people try to accumulate more and more wealth—sometimes at the cost of others—to satisfy those cravings. In contrast, in Buddhist Economics, importance is given to simplify one's desires. According to them, apart from the basic necessities like food, shelter, clothing and medicines, other materialistic needs should be minimized. They say that overall well-being decreases if people pursue meaningless desires. Wanting less will benefit the person, the community they live in and nature.

Fourth, views on the market are different. While Western Economists advocate maximizing markets to a point of saturation, Buddhist Economists aim at minimizing violence. According to them, Western Economists do not take into consideration primordial stakeholders like the future generations and the natural world because their vote is not considered important in terms of purchasing power. They feel that other stakeholders such as poor and marginalized

people are under-represented because of their inadequate purchasing power and preference is given to the strongest stakeholder. Therefore, they believe that the market is not an unbiased place, truly representative of the economy. Thus, Buddhist Economists advocate ahimsa or non-violence. According to them, ahimsa prevents doing anything that directly causes suffering to oneself or others and urges to find solutions in a participatory way. Community supported agriculture is one such example of community based economic activities. They believe that it fosters trust; helps build value based communities and brings people closer to the land and the farm. Achieving this sustainability and non-violence requires restructuring of dominating configurations of modern business, which they advocate. This leads to deemphasizing profit maximization as the ultimate motive and renewed emphasis on introducing small-scale, locally adaptable, substantive economic activities.

Fifth, Western economists try to maximize instrumental use where the value of any entity is determined by its marginal contribution to the production output while Buddhist economists feel that the real value of an entity is neither realized nor given importance to. They try to reduce instrumental use and form caring organizations which will be rewarded in terms of trust among the management, co-workers and employees.

Sixth, Western economists tend to believe that bigger is better and more is more whereas Buddhist economists believe that small is beautiful and less is more.

Seventh, Western economics gives importance to gross national product whereas Buddhist economics gives importance to gross national happiness.

Gross National Happiness: Development Philosophy of Bhutan

Bhutan measures prosperity by gauging its citizens' happiness levels, not the GDP. Now its ideas are attracting interest at the UN climate change conference in Doha.

Since 1971, the country has rejected GDP as the only way to measure progress. In its place, it has championed a new approach to development, which measures prosperity through formal principles of gross national happiness (GNH) and the spiritual, physical, social and environmental health of its citizens and natural environment.

For the past three decades, this belief that wellbeing should take preference over material growth has remained a global oddity. Now, in a world beset by collapsing financial systems, gross inequity and wide-scale environmental destruction, this tiny Buddhist state's approach is attracting a lot of interest.

Bhutan's King Jigme Singye Wangchuck and their government have promoted the concept of 'Gross National Happiness' (GNH) since 1972, based on Buddhist spiritual values, as a counter to gauging a nation's development by gross domestic product (GDP).

It represents a commitment to building an economy that would serve Bhutan's culture based on Buddhist spiritual values instead of western material development gauged by gross domestic product (GDP).

Economists the world over have argued that the key to happiness is obtaining and enjoying material development. Bhutan however, adheres to a very different belief and advocates that amassing material wealth does not necessarily lead to happiness. Bhutan is now trying to measure progress not by the popular idea of Gross Domestic Product but by through Gross National Happiness.

His Majesty the third Druk Gyalpo Jigme Dorji Wangchuck expressed his view on the goals of development as making "the people prosperous and happy." With this strong view in mind, the importance of "prosperity and happiness," was highlighted in the King's address on the occasion of Bhutan's admission to the United Nations in 1971.

While the emphasis is placed on both, prosperity and happiness, the latter is considered to be more significant. The fourth Druk Gyalpo emphasized that for Bhutan "Gross National Happiness," is more important than "Gross National Product." Thus, Gross National Happiness is now being fleshed out by a wide range of professionals, scholars and agencies across the world.

The Middle Way for Happiness

In the well-known book 'Buddhist Economics: A Middle Way for the Market Place'.by Prayudh Payutto, a Thai practitioner, and he writes:

Economics is one science which most clearly integrates the concrete and the abstract. It is the realm in which abstract human values interact most palpably with the material world. If economists were to stop evading the issues of moral values, they would be in a better position to influence the world in a fundamental way.

Buddhist economics holds that truly rational decisions can only be made when we understand what creates irrationality. When people understand what constitutes desire, they realize that all the wealth in the world cannot satisfy it. When people understand the universality of fear, they become more compassionate to all beings. Thus, this spiritual approach to Economics doesn't rely on theories and models but on the essential forces of acumen, empathy, and restraint. From the perspective of a Buddhist, Economics and other streams of knowledge cannot be separated. Economics is a single component of a combined effort to fix the problems of humanity and Buddhist Economics works with it to reach a common goal of societal, individual, and environmental sufficiency.

Then the next thing Buddha would say is that everything is impermanent. No matter what's going on at any given time, it's not permanent, so basically we should think about everyone's well-being. And in the Payutto book you mentioned, he's very strong on government. He comes back time and time again—a little bit too much for my liking—to talk about the role of government in his vision of Buddhist economics. So I think Buddhist economics definitely has a role for government, but it also challenges the individual to understand how they can live their life in a more meaningful way and a way that creates value for them and the people around them.

The concept of the "Middle Way" says that time should be divided between working towards consumption and meditation and the optimal allocation between these two activities will be when some meditation is utilized to lower the desire for consumption and to be satisfied with lesser consumption and the work that it involves. In economic terms this means “the marginal productivity of labour utilized in producing consumption goods is equal to the marginal effectiveness of the meditation involved in economizing on consumption without bringing about any change in satisfaction”.

Buddhist Economics as a Strategy

Buddhist economics represents a minimizing framework where suffering, desires, violence, instrumental use, and self-interest have to be minimized. This is why “small is beautiful” and “less is more” nicely express the essence of the Buddhist approach to economic questions.

Modern Western economics represents a maximizing framework. It wants to maximize profit, desires, market, instrumental use, and self-interest and tends to build a world where “bigger is better” and “more is more” (see the table below).

Modern Western Economics versus Buddhist Economics

Modern Western Economics	Buddhist Economics
maximize desires	minimize desires
maximize profit	minimize suffering
maximize market	minimize violence
maximize instrumental use	minimize instrumental use
maximize self-interest	minimize self-interest
“bigger is better”	“small is beautiful”
“more is more”	“less is more”

Conclusion

Buddhist economics does not aim to build an economic system of its own. Rather, it represents a strategy, which can be applied in any economic setting at any time. It helps to create livelihood solutions that reduce the suffering of all sentient beings through the practices of want negation, non-violence, caring and generosity.

In his paper “Towards a Progressive Buddhist Economics”, Simon Zadek asks the important question of whether Buddhist economics is able to penetrate the modern economy to prevent it from driving us along a materially unsustainable path, and to uproot its growing hold on our psychological conditions. And he concludes that we have no choice but to engage in modernization in an attempt to redirect it or at least reduce its negative effects (Zadek 1997).

Today’s dominating business models are based on and cultivates narrow self-centeredness. Buddhist economics points out that emphasizing individuality and promoting the greatest fulfilment of the desires of the individual conjointly lead to destruction.

Happiness research convincingly shows that not material wealth but the richness of personal relationships determines happiness. Not things but people make people happy (Lane 1998). Western economics tries to provide people with happiness by supplying enormous quantities of things. But what people need are caring relationships and generous love. Buddhist economics makes these values accessible by direct provision.

Peace can be achieved in non-violent ways. Wanting less can substantially contribute to this endeavor and make it happen easier. Permanence, or ecological sustainability, requires a drastic cutback in the present level of consumption and production globally. This reduction should not be an inconvenient exercise of self-sacrifice. In the noble ethos of reducing suffering it can be a positive development path for humanity.

In a Buddhist economy the goals of simplicity and non-violence work together. In an effort to reduce the violence against the earth of extracting fossil fuels, and in the interest of avoiding international conflict over scarce reserves of oil and gas, the Buddhist economist, says Schumacher, would support using more local and ecologically sensitive sources of energy such as solar, wind and hydroelectric. Such an economy doesn't necessarily use what is cheapest on the market, but what serves its aims of simplicity and non-violence best.

Schumacher points out that in such countries there are very few labor saving machines such as kitchen appliances and yet levels of stress are much lower than in a place such as the United States. The idea in such an economy is to produce and consume only as much as is necessary and leave the rest of your time for artistic creativity and self improvement.

Ariyaratne⁴ focuses on economic solutions through application of Buddhist principles which he calls "Buddhist Economics." In one of his lectures he states, “The economic life of a human being cannot be separated from his total life and living. Buddha Dhamma looks at life as a whole. In fact the entire world is treated as a whole in Buddha’s teachings. Without this holistic understanding of life it is difficult for humans to follow the path of happiness, He showed. Economics is only a fragment of life and living. Therefore moral and social implications of economic activity cannot be considered apart from economics. Ariyaratne often critiques consumerism, capitalism, and the rising divide between the rich and the poor. With a modernist global view, Ariyaratne often criticizes the west and international organizations such as the World Bank. He states that the West has created “large-scale methods and systems, created by man and capable of dominating man, in place of simple social, economic, and political institutions which man could dominate. Ariyaratne believes that through grassroots efforts directed by Buddhism these problems can be overcome.

A central part of his social action agenda is non-violence. Ariyaratne calls for non-violent action. He has been actively working for peace in Sri Lanka for many decades, and has stated that the only way to peace is through “the dispelling of the view of ‘I and mine’ or the shedding of ‘self’ and the realization of the true doctrines of the interconnection between all animal species and the unity of all humanity, thus advocating social action in Buddhist terms. He stated in one of his lectures, “When we work towards the welfare of all the means we use have to be based on Truth, Non-violence and Selflessness in conformity with Awakening of All.” What Ariyaratne advocates is losing the self in the service of others and attempting to bring others to awakening. Ariyaratne has stated, “I cannot awaken myself unless I help awaken others.”

⁴Dr Vinya *Ariyaratne* is the General Secretary of Sarvodaya and also a lecturer in Community Medicine Faculty of Medical Sciences University of Sri Jayewardenepura in Sri Lanka. He is a Medical Doctor by profession.

In this modern age we can see and feel that develop country are rich in modern technologies and material development such as Canada, France, Germany, Italy, Japan, United Kingdom, United States. However most of people of these countries are not happy, and they have no more time to rest, to eat and they have no enough time to spend with their family.

People think they can find happiness in money, so they try their best to be wealthy, but when they are wealthy are they happy? If wealth is a source of happiness, then wealthy people would be happier than poor people but we find in many cases that the ordinary people who are not very well-to-do are happier than the rich. We have heard even of some millionaires who have tried to commit suicide. They would never think of committing suicide if wealth is not really a source of happiness, so it is evident that wealth is not really a source of happiness. Then power, name or fame may be a temporary source of happiness, but when people lose their name or fame or power they are in a state of anxiety, worry. It shows that name, fame or power is not the main source of happiness either, because it can also be a source of worry and is subject to impermanence.

We can analyze one example of Japan.

According to the Japan Today⁵, Japanese people aren't happy with their looks; ranked world's lowest in self-confidence.

One of the first things you notice when you come to Japan is how great everybody looks. The guys all know how to wear a suit, and the ladies dress conservatively and stylishly. In fact, it's a well-known phenomenon that many foreigners who arrive in Japan for a prolonged stay will, within a few weeks, start smartening themselves up as a direct result of the example set by fashion and beauty-conscious Japanese.

But a shocking and kind of sad survey has revealed that in terms of being happy with their looks, the people of Japan are actually ranked bottom in the world...

Empirical evidence from global surveys further highlights the limitations of material development as a reliable indicator of human well-being. A large-scale study conducted by a German market research institute (GfK), involving over 270,000 participants across 22 countries, revealed that Japan ranked lowest in terms of satisfaction with personal appearance, despite its high level of economic development and material prosperity. In contrast, countries such as Mexico, Turkey, and Brazil reported significantly higher levels of self-confidence and personal satisfaction. Notably, a substantial proportion of respondents in Japan expressed dissatisfaction with their appearance, suggesting a gap between material affluence and subjective well-being.

This finding challenges the fundamental assumption of modern economics that increased consumption and material advancement necessarily lead to greater happiness. It indicates that psychological and social dimensions—such as self-perception, cultural expectations, and relational well-being—play a crucial role in shaping human satisfaction. From a Buddhist perspective, this phenomenon can be understood through the concept of *taṇhā* (craving), where the continuous pursuit of idealized standards generates dissatisfaction rather than contentment.

At the same time, it is important to recognize that many developing countries, although economically less advanced, often exhibit stronger social bonds and greater opportunities for rest and interpersonal engagement, which may contribute to higher levels of subjective happiness. However, these societies frequently face challenges in meeting basic material needs, highlighting the necessity of a balanced approach to development.

Therefore, sustainable development must aim to integrate both material and non-material dimensions of human life. In line with Buddhist principles, particularly the Middle Way (*majjhimā paṭipadā*), an optimal model of development should harmonize economic progress with mental well-being, ethical values, and social cohesion. This requires a reorientation of public policy toward fostering genuine well-being rather than mere economic growth, ensuring that development contributes to both external prosperity and inner peace (*santi*).

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