



Buddhist Economics

The implications of Buddhist Economics for a new business model

Buddhist Economics implies a new role for business in society.

In Neoclassical Economics the purpose of economic activity is simply to produce goods and services that will enable consumers to satisfy their desires – this is best achieved by business attempting to maximise profit. The Buddhist interpretation of economics implies that the role of business is to produce goods and services in moderation for need and true well-being, but also to act as a vehicle for human development along the path towards overcoming self-centredness. In addition to cultivating tendencies towards cooperation, rather than individualistic competition, business can foster development of knowledge and human creativity far beyond what's required for maximising profit. It's unlikely that these social objectives will be compatible with profit maximising behaviour and it may well be necessary to find alternative corporate governance and ownership arrangements to those which prevail under shareholder value capitalism, to enable business to fulfil its proper role in society. Those affected by a business's activities and decisions - workers, local community and so on - must be included in its decision making process. The constraints imposed by capital markets must be removed if wider, more important social objectives are to be seriously pursued.