



ISSN 1076-9005  
Volume 3 1996:198-240  
Publication date: 23 September 1996

Continuity and Change in the Economic Ethics of Buddhism  
Evidence From the History of Buddhism in India, China and  
Japan

Gregory K. Ornatowski

*Department of Religion*  
*Boston University*  
Email: [gornatow@bu.edu](mailto:gornatow@bu.edu)

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## ABSTRACT

Buddhist economic ethics for monks and laity historically shared a common principle of nonattachment to wealth. At the same time, while lay economic ethics have consistently stressed merchant-type values and the importance of giving to the sangha (*dāna*), monastic ethics underwent major changes. This is true especially in Chinese and Japanese Mahāyāna Buddhism where monasteries and monks engaged in major commercial activities, including usury, pawnbrokering, and the like. These activities led to large accumulations of wealth, held by both monasteries and individual monks. While Buddhism historically thus was not inimical to economic development nor to the rise of capitalism, Buddhist ethics ultimately did not play the same type of role attributed to the Protestant ethic in the West. Moreover an analysis of Buddhist soteriologies and major concepts such as *anātman*, karma, *pratītya-samutpāda*, *dāna* and *karuṇā*, reveals that issues of economic equality and justice in Buddhism are dealt with less by attempting to change the existing distribution of wealth than by cultivating the proper ethical attitudes toward wealth and giving.

## INTRODUCTION

Buddhist economic ethics—that is Buddhist values with regard to wealth and economic activity, either within society or within the sangha—are often slighted in Western scholarly studies of Buddhism even though they play a significant role as a part of overall Buddhist philosophy regarding social life and even enlightenment itself. This is due perhaps partly to an implicit interpretation of Buddhism among some scholars as being a religion focused primarily upon an individualistic pursuit of enlightenment rather than also a set of practiced social, political, and economic ethics. To an extent of course this characterization holds true, for at least a part of both the Theravāda and Mahāyāna traditions. Yet it also ignores clearly developed Buddhist attitudes and values toward economic activities, some explicitly expressed in the various Vinaya codes for monks, others less explicitly, but still clearly enough, in various stories and sūtras which lay out general principles of behavior for lay believers.

This paper offers an outline of the development of Buddhist economic ethics using examples from early Theravāda Buddhism in India and the Mahāyāna tradition as it evolved in India, medieval China, and medieval and early modern Japan, in order to illustrate the pattern of continuities and transformations these ethics have undergone. By “economic ethics” the paper refers to four broad areas: (1) attitudes toward *wealth*, i.e., its accumulation, use, and distribution, including the issues of economic justice and equality/ inequality; (2) attitudes toward *charity*, i.e., how and to whom wealth should be given; (3) attitudes toward *human labor* and *secular occupations* in society; and (4) actual economic activities of temples and monasteries which reflect the lived-practice of Buddhist communities’ economic ethics. By “Buddhist,” the paper refers to mainline Buddhist thinking in history, as represented by the various Vinaya codes, sūtras and stories, and economic activities of major sects, monasteries, and temples.

Since I will be dealing with a range of “Buddhisms” as they developed in various times and places, I have relied upon previous scholarly work to help define what the general trends of the economic ethics of these various “Buddhisms” were. This approach assumes that there was no one Buddhist economic ethic for all of these different times and places, just as there is no one “Buddhism.” Yet through an examination of the economic ethics of these different “Buddhisms,” certain *continuities* and *differences* between them become clear. Moreover, the presence of these continuities would seem to allow us to make a number of tentative conclusions about what the development and nature of these various Buddhist economic ethics as a whole might share. These can be summarized as follows:

- (1) Buddhist soteriologies affect Buddhist economic ethics in fundamental ways. By defining how enlightenment is achieved, what enlightenment is and what has ultimate value, Buddhist soteriologies set the parameters for what Buddhist economic ethics will be in any particular tradition or school of Buddhism.
- (2) Within these soteriologies, the major Buddhist concepts of karma, *anātman*, *sūnyatā* and *pratītya-samutpāda* (dependent coorigination) each help determine the shape of the Buddhist economic ethics of any particular school. However, the impact of these conceptions ultimately is ambiguous and depends to a large extent upon the interpretation of them within the particular sociocultural and historical situation.
- (3) Contrary to the common image of monk and laity ethics being two completely separate realms with little commonality, the ideal economic ethics of monks and laity share a common overall principle (that of nonattachment to wealth). Yet, they still differ in both specifics (rules regarding wealth, labor, and the like) and specificity (how explicitly they define the proper attitudes and morals regarding wealth, labor, and so on).
- (4) The development and evolution of Buddhist economic ethics within Theravāda and Mahāyāna reveal both lines of *continuity* between these traditions (e.g., lay ethics emphasizing sharing of wealth with others) as

well as clear *transformations* in ideas (e.g., Zen attitudes toward monk labor). Transformations usually are traceable to the influence of indigenous thought or of other historical peculiarities in the way Buddhism was accepted in the new country where it entered (e.g., China and Japan).

(5) Buddhist economic ethics tend not to be just the reflection of religious attitudes toward the economy but also religious attitudes toward the state (polity). This latter relationship (Buddhism and the polity) usually was characterized by interdependence and reciprocity, that is, state support for the sangha in return for the sangha's spiritual protection and legitimization of the state. The implication of this relationship for Buddhist economic ethics was that they usually (a) did not challenge or question the existing economic distribution of wealth but emphasized instead religious giving to the sangha (*dāna*) as the ideal social action; and (b) relied upon secular authorities (the king or state) to help define the specifics of lay Buddhist economic ethics, along with guidelines given in various sūtras. (6) Buddhist economic ethics for the laity were not inherently antagonistic to the development of capitalism, but in fact supported a primitive capitalism among the merchant classes in early Buddhist India, and medieval China and Japan. This could be seen in both merchant-type lay ethics, which encouraged the accumulation of wealth along with certain restraints on consumption of this wealth, and direct economic activities by Buddhist monasteries themselves, which led to innovations in business practices and implicit support for commercial tendencies in society as a whole.

(7) Issues of economic equality and distributive justice were dealt with in Buddhist economic ethics primarily through the ideas of karma, religious giving (*dāna*), and compassion (*karuṇā*) and focused less on changing the overall existing distribution of wealth than on cultivating the proper ethical attitudes toward wealth and giving. At the same time, in the occasional use of Maitreya by revolutionary and other protest movements, there were the beginnings of the development of a more socially activist and transformative economic ethic focusing on ideas about eco-

conomic and political justice.

In the remainder of this paper, I will examine the above themes in more depth, beginning with evidence from early Theravāda and then moving on to Mahāyāna in its main forms in India, China, and Japan. Given the space limitations, only the major trends of both teachings and actual economic practices will be discussed. Together however, these offer sufficient evidence to form an overall picture of Buddhist ethics as they evolved over time, as well as some tentative conclusions about the relationship between Buddhist economic ethics and such issues as the development of capitalism and concepts of economic justice.

#### THERAVĀDA BUDDHIST ECONOMIC ETHICS

The economic ethics of Theravāda Buddhism, especially attitudes toward wealth, poverty, charity, and labor cannot be understood without understanding something about Buddhist soteriologies (i.e., theories of how a person achieves enlightenment). The earliest Buddhist soteriology was summarized in the Four Noble Truths: (1) suffering exists; (2) the cause of suffering is craving (attachment); (3) there is a way out of this suffering; and (4) this way is the Eightfold Path. This Eightfold Path consisted of three types of activity: (1) moral conduct; (2) mental discipline; and (3) wisdom. Moral conduct in turn included three of the eight components of the Path: (a) right conduct; (b) right speech; and (c) right livelihood, each of which involved various prescriptions for behavior, attitudes, and mental dispositions.

Early Buddhist soteriologies must also be understood by examining the major concepts of karma, *anātman*, nirvana/ saṃsāra and *pratītya-samutpāda* (dependent coorigination) to see how they helped define such soteriologies. Karma, for example was understood to apply to all actions including moral ones and implied that a person's present situation was the result of past acts, thoughts, and feelings in this life and previous ones. It also taught that the effects of a person's actions carry on beyond the present life into future lives. Therefore, meritorious

acts in the present life will result in rewards in future lives. Karma thus can be conceived of as a Buddhist basis for justice in the sense that through it each individual received what he or she deserved in life based upon past actions. This of course included the economic realm with the implication that one's economic position (i.e., wealth) was the result of one's actions in this or previous lives—with good ethical actions leading to a better position in terms of wealth and bad ethical actions leading to a worse position. In this way, karma offered a rational explanation for social, economic, and political inequalities while also implying that economic justice *already* was achieved, i.e., persons economically have what they deserve, at least to start off. Karma thus contributed to a strong sense of morality as conditioning one's existence and to a stress on individual responsibility rather than social forces as the cause of one's present situation.

In addition to karma, the Buddhist concepts of nirvana and saṃsāra were also central to understanding Buddhist soteriologies and had important implications for views toward poverty and wealth. In early Theravāda Buddhism, for example, nirvana and saṃsāra were viewed as far apart—nirvana being the “unborn” and “unbecome”—and defined in terms of what saṃsāra was not. The soteriological goal was to escape saṃsāra through escaping craving, and to do this through practicing the Eightfold Path. Only when a person had escaped saṃsāra could they attain nirvana, whether nirvana was conceived of as an ethical state or also as a metaphysical one. The implication for early Theravāda Buddhist believers was that to attain nirvana right ethical behavior was a key.<sup>1</sup> Another implication was that since saṃsāra had little value, economic activities (which generally were associated with the realm of saṃsāra) could never have genuine religious significance.

The concept of *pratītya-samutpāda* was a third major concept that helped determine Buddhist soteriology. It did so by pointing to the interdependence of all things and actions. In ethical terms, this implied that although the individual was ultimately responsible for his own karma, since all sentient beings are connected and since compassion is a virtue,

helping one's fellow sentient beings also had value, including help of a material nature. Thus there was a strong moral basis for giving and not withholding material or spiritual assistance to others.

Finally, the concept of *anātman* implied that since no eternal unchanging *atman* (self) existed, there was no reason to withhold giving to others, or to hoard wealth, since there was no "I" that needed to be protected or defended more than others. Yet, the idea of *anātman* also held a potential paradox. That is, if there was no self, then what individual or personal moral obligation could exist? Could ethics even be possible if there was no self? The most common early Theravāda Buddhist answer to this was that whether there was a self or not, karma continued to exist and wrongful moral actions led to negative karma while right actions led to positive karma. Thus the nonexistence of self did not imply that actions and their results, or ethical responsibility, could not exist.<sup>2</sup>

The above discussion highlights the correspondence between the key concepts of Theravāda Buddhism and attitudes toward wealth, poverty, and ethical action. Based upon this, in the earliest Buddhism most kinds of economic behavior of monks (e.g., labor, agricultural production, and possession or accumulation of wealth outside of one's robe and begging bowl)<sup>3</sup> were proscribed, and monk economic ethics were mainly negative. With the passage of time, however, some Vinayas were relaxed. Individual monks were allowed to keep money, and monasteries were allowed to sell or use for profit goods donated to them, as well as lend out money and collect interest—as long as the profits went to the benefit of the Three Treasures, i.e., the sangha, the Buddha, and the Dharma. Economic activities undertaken by individual monks for personal profit, however, as well as monk labor (whether it involved agriculture or commercial activities), continued to be proscribed.<sup>4</sup>

In contrast to these early monk economic ethics, early economic ethics for the laity appeared clearly different since they allowed the laity to hold wealth and even praised the creation of wealth through diligent work following one's chosen or given occupation. However, lay economic ethics also stressed the avoidance of craving or attachment to



such wealth and that it must be shared with the sangha and with family and friends. In addition, early lay economic ethics praised the value of labor and devotion to most secular occupations (with some exceptions).

Such a more lenient attitude toward lay accumulation of wealth and labor was not simply the result of monks trying to ensure their own material support from the laity. It was also the result of a clear and consistent logic in the early Buddhist view of reality that what had ultimate value for both monk and laity was the individual attainment of enlightenment. Although best pursued as a monk, such attainment of enlightenment was also possible for lay people. As a result, economic ethics, whether for monk or for laity, ultimately were directed toward furthering this goal of enlightenment. For both, the key to achieving this goal was overcoming craving. As the laity needed to earn their living, accumulating wealth was allowed and even encouraged as long as too much craving was avoided. Since the monks were on a different point in the path toward nirvana and required stricter discipline, it was considered better for them not to accumulate or hold wealth at all. This system required that the laity support the sangha in order to allow individual monks to devote themselves to their own enlightenment, but also so that they could teach the Dharma to the laity and give knowledge and understanding which furthered the process of laity enlightenment. Through giving to the sangha (*dāna*), the laity earned merit which would help them receive better karma; by avoiding economic activities in favor of meditation and teaching, monks spread the Dharma and contributed to the overall supreme goal of maximum progress toward enlightenment for all.<sup>5</sup>

Lay economic ethics taught in early Buddhism thus focused upon three areas: (1) accumulating wealth through hard work, diligence and setting certain restraints on one's own consumption; (2) choosing and pursuing the right occupation (i.e., avoiding occupations such as killing animals, trade in weapons, and the like); and (3) sharing wealth honestly acquired with family, friends and the sangha. Such merchant-type values in early Buddhist lay ethics contrasted sharply with the economic

ethics of Brahminism, which reflected the patriarchal clan-based ethics of an agricultural society.<sup>6</sup>

Support for this influence of merchant-class values upon early Buddhist lay ethics can be found in early Buddhist sūtras and stories which refer to lay wealth in a way which tends to assume a certain amount of wealth already being held, and in the strong emphasis upon giving and receiving rather than the high value put in Brahmin ethics upon sacrifices.<sup>7</sup> The influence of merchant-class ethics is also apparent in the three main themes of such sūtras and stories: (1) diligence and honesty in acquisition of wealth; (2) restraint of one's own consumption in order to accumulate wealth; and (3) reinvestment of this wealth to produce more wealth, merit and happiness for self and others.

The best-known early sūtra which exhibits these themes was the *Siṅgālovāda Sutta* or *Admonition to Siṅgāla*, sometimes referred to as the Buddhist laymen's Vinaya. In it an ethic of diligent accumulation of wealth through hard work, restrained consumption, and reinvestment of profits into one's business is stressed, as in the following passage:

The wise and moral man  
Shines like a fire on a hilltop  
Who does not hurt the flower.  
Such a man makes his pile  
As an anthill, gradually.  
Grown wealthy, he thus  
Can help his family  
And firmly bind his friends  
To himself. He should divide  
His money in four parts;  
On one he should live,  
With two expand his trade,  
And the fourth he should save  
Against a rainy day.<sup>8</sup>

What is particularly interesting about this passage is that it urges that only a fourth of all one's wealth should be consumed for daily living while the other three-fourths should be saved, most of it to be reinvested in one's trade. This reflects a merchant-based mentality which while perhaps not ascetic in the same sense as the so-called Protestant ethic, does put a strong emphasis on saving and reinvestment. The sūtra goes on to give specific advice on how to avoid squandering this accumulated wealth by avoiding such things as idleness, bad friends, addiction to intoxicants, roaming the streets at odd hours, frequenting shows, and indulging in gambling.<sup>9</sup>

Other early sūtras emphasize strongly the virtue of nonattachment to wealth as the foundation of all morals in society. This can be seen in both the *Cakkavatti-Sīhanāda* and *Kūṭadanta Suttas*, in which the generosity of a righteous king for the destitute becomes the basis for the establishment of virtue and prosperity in lay society. At the same time, a lack of such generosity was presented as the beginning of a steady expansion of vice and evil and a steady decay of society.<sup>10</sup> Sūtras such as the *Mahā-Sudassana Sutta*, moreover, by stressing the impermanence of all wealth and worldly possessions, no matter how great their extent, reinforced the value of nonattachment to wealth.<sup>11</sup>

With the passage of time, the lay virtue of generosity and giving only became more and more predominant. This was reflected in the many stories in the sūtras of unbridled generosity leading to good karma and spiritual advancement.<sup>12</sup> At the same time, while sūtras pointed out the dangers of wealth in terms of creating craving, poverty was never advocated for the laity, but was viewed as a "suffering in the world for a layman."<sup>13</sup>

Yet even though giving became the supreme lay virtue, there was a subtle difference between the earlier sūtras, in which giving to both the poor *and* the sangha was urged, and later sūtras, in which giving to the sangha was the main theme. In this way *dāna* (giving to the sangha) became the central concept of lay economic ethics. By giving to the sangha, the individual not only furthered his own soteriological quest

and karma, but benefited society and contributed to the betterment of others' karma through supporting the educational act of spreading the Dharma.<sup>14</sup>

The concept of *dāna* along with the concept of karma also contribute to a certain set of ideas about economic justice in Theravāda Buddhist economic ethics. On the one hand, the notion of karma has been used to argue *in favor* of an idea of justice existing in Theravāda Buddhist economic ethics, as follows:

Such equality before the law of kamma resembles the West's notion of procedural justice. . . there is equality of opportunity in the sense that the law of kamma treats all evenhandedly in rewarding virtue and punishing vice, and the determining essence of virtue (the attitude of nonattachment) is presumably an equal possibility for all.<sup>15</sup>

Economic inequalities existing in society thus can be viewed as the result of past karmic acts and do not violate a sense of justice but in fact confirm it. On the other hand, the concept of karma can also be used to argue *against* an idea of justice in Theravāda Buddhism. This is possible through emphasizing an interpretation of karma which implies that the way to nirvana is through a slow accumulation of individual merit effected by religious giving and individual acts of compassion rather than an interest in effecting social justice in the Western sense of an equitable distribution of wealth:

. . . The law of kamma, with its all encompassing explanation of existing inequalities, tends to do away with Buddhist perplexity over the plight of the poor. Buddhist emphasis on the virtue of charity tends to outweigh interest in justice and so ethical reflection is shifted away from evaluation of the existing distribution of wealth.<sup>16</sup>

What both of the above arguments share is a tendency to regard

the issue of economic justice as one involving the need for greater economic equality and redistribution of wealth from the rich to the poor. This of course is only one interpretation of justice. If accepted, however, there is little clear evidence in Theravāda Buddhism supporting redistribution of wealth, except for the idea of *dāna*, which implied redistribution of wealth *to the sangha* and not necessarily to the poor, and the idea of *karuṇā*, which implied more individually-based acts of compassion toward one's fellow sentient beings rather than an overall program for social change.

Support for an idea of economic or social equality in the form of an economically or socially classless society also never seems to have been envisioned in early Theravāda Buddhism, at least for the laity. Instead, clear differences in social, economic, and political levels seem to be assumed, a fact reflected in the lack of a clear prohibition against ownership or use of slaves either by layman or temple (though slave trading was proscribed).<sup>17</sup> In addition while within the early sangha a large degree of economic and to some degree political equality existed, this equality was never extended beyond the sangha to a prescription for society as a whole. Moreover even within the sangha, there was a class structure in the sense of different levels of spiritual development and seniority which were acknowledged and affected how different monks were treated.<sup>18</sup> Thus equality in early Theravāda Buddhism seems to have been primarily a spiritual ideal viewed in terms of equal *potential* for all to achieve spiritual enlightenment. This conclusion is supported by the fact that in contrast to Brahminism, almost all classes of people could and did enter the early Buddhist order of monks.<sup>19</sup>

Early Theravāda Buddhist economic ethics and ideas regarding social and economic inequality were also strongly affected by various viewpoints of the proper relationship between the sangha and the state or king. Although the earliest Buddhism tended to view contact with the king as something to be avoided like a poisonous snake, and kings were labeled among other disasters that might occur to a person,<sup>20</sup> by the time of King Aśoka and afterward, Buddhism began to develop a

close relationship with the state in most places where it existed, including India and Ceylon, and later Southeast Asia, China, Japan, and Tibet. This relationship was based upon the idea of the Cakravartin king,<sup>21</sup> or the ideal enlightened king who carried out the Dharma in society and supported the sangha, in return for which he received the sangha's spiritual protection and legitimization. The story of King Aśoka of course seems to provide a major historical context for this ideal, and the stone edicts left by his rule point to the close and mutually beneficial relationship between him and the Buddhist sangha. These edicts refer to social policies which have been referred to by some scholars as a type of ancient "welfare state" in that various facilities for the poor, sick, and indigent were constructed by the state, in addition to state support for the sangha.<sup>22</sup> Yet a closer reading of these edicts themselves makes clear that Aśoka never intended to change the fundamental economic and social structure of his society. Instead, he focused his social activism more upon spreading the Dharma through charitable works for the poor, sick, and imprisoned, religious giving to the sangha, and encouraging meditation and proper treatment of one's father and mother, teacher, relatives, slaves and servants, priests and ascetics, and animals.<sup>23</sup>

From the historical example of Aśoka and other instances of sangha/state cooperation, early Theravāda Buddhism developed and evolved its own concept of the ideal relationship between sangha and state which, as two recent scholars have termed it, was a "purposeful political strategy of adjustment and accommodation" toward the state reflecting a "distinctly Buddhist understanding of the possibilities for social change" through "gradual reform with emphasis on religious education."<sup>24</sup> In other words, here was established the typically Buddhist amelioratory approach to social change that would continue to affect both Theravāda and Mahāyāna traditions later on. In this approach, the role of the enlightened king or state was to formulate specific laws for society based upon general ideas and principles given by the Buddha.<sup>25</sup> At the same time, the political role of the sangha was to teach the Dharma to the king and support the state by obeying the laws of the land (and not challenge

the given economic distribution and social structure). In this way, while ideas about social and economic justice did seem to exist in early Theravāda Buddhism, they existed in the form of particular ideas about karma, *dāna* and the state/sangha relationship which were clearly different than most current Western ideas about justice. Yet, this should not be surprising since current Western ideas are themselves a product of a long evolution of concepts, and although related to their predecessors in Judeo-Christian ethics and Roman law, are still clearly different from them.

In conclusion, wealth and labor had value in early Theravāda Buddhist ethics, but a value ultimately smaller than that given to the pursuit of enlightenment for the monk and gaining merit through *dāna* for the laity.<sup>26</sup> Wealth was never an evil in itself, either for laity or monk, but was to be welcomed as the result of past merits, as long as one never became attached to it. Giving was the way to avoid such attachment and for the laity such giving increasingly became giving to the sangha (*dāna*), rather than directly to the poor or reinvesting into one's secular business. Moreover, in contrast to the Calvinist with his God of predestination, the Theravādist layman never was assured of his salvation, and constantly had to work to earn it through the creation of additional merit through additional *dāna*. This led to an emphasis on investment in *dāna* over investment in one's secular business, with the ultimate consequence for the Theravāda Buddhist that his "proof of salvation" was found "not in accumulating and creating new wealth, but in giving it away in the form of *dāna*."<sup>27</sup> As a result, a type of Protestant asceticism emphasizing the accumulation of wealth which was then invested into one's secular business and (according to Weber) contributed to the development of modern capitalism in the West, never was encouraged in the Theravāda tradition once the idea of *dāna* became dominant. Some scholars go even further and argue that this very tradition of *dāna* is an important reason for the slower development of modern capitalism in countries with a strong Theravāda tradition.<sup>28</sup>

## EARLY INDIAN AND MEDIEVAL CHINESE MAHĀYĀNA ECONOMIC ETHICS

Economic ethics in Mahāyāna Buddhism show both continuities and differences with those in Theravāda Buddhism. Many of the changes are related to transformations in Mahāyāna understandings of nirvana/saṃsāra, enlightenment and the bodhisattva ideal. For example, within Mahāyāna the absolute difference or separation between nirvana and saṃsāra disappears. As a result, charitable activities within saṃsāra grow to have more value in themselves and the bodhisattva idea becomes the ideal. At the same time, a more positive view of saṃsāra tends to lead to an acceptance of status quo conditions “in the world,” while the primary focus of efforts toward enlightenment are put upon epistemic change in one’s perception of things. This focus on enlightenment as primarily a change in one’s way of perceiving things implied that the main soteriological effort must be made towards effecting such epistemic change (through meditation, and the like), rather than Theravāda Buddhism’s focus on change in individual ethical/moral behavior leading to a gradual betterment of karma.<sup>29</sup>

Another implication of these shifts in Mahāyāna versus Theravāda ontology, epistemology and soteriology was a greater acceptance of economic activity by the sangha. The most obvious instances of this were the increased economic activities of the Buddhist monasteries in China and Japan and the acceptance of monk labor in the Ch’an/ Zen school. At the same time, in terms of *lay* economic ethics, values toward wealth continued to remain focused upon religious giving (*dāna*), and accumulation and possession of wealth was “good” as long as one remained nonattached to it. In terms of the Buddhist sangha’s relationship with the state, the previous pattern of cooperation and an amelioratory approach to social change, along with support for the status quo distribution of wealth, remained the governing paradigms.

An excellent example of both these continuities as well as differ-



ences with Theravāda ethics can be found in the Indian Mahāyāna work by Nāgārjuna called the *Jewel Garland of Royal Counsels*. In this work Nāgārjuna presents counsel to his friend and disciple, King Udayi, about the ideal Buddhist state. In such a state the enlightened king begins with his understanding of the truth of *anātman* and based upon this understanding acts benevolently and without “self” to carry out compassionate measures for the sick, elderly, farmers, children, mendicants and beggars, based upon the karmic premise that such giving of wealth will produce more prosperity and wealth for the kingdom in the future. He also cooperates with the sangha to spread the Dharma.<sup>30</sup> In this way Nāgārjuna takes up the themes of karma, *anātman*, compassionate giving and sangha/state cooperation and puts them into an overall viewpoint of how Mahāyāna economic and social ethics should be carried out by the benevolent king. In the process, he also presents both the continuities and differences between Mahāyāna economic ethics and those of Theravāda: the continuities consisting of a common stress on sangha/state cooperation and similar ideas about karma, *anātman*, and the importance of giving; the differences being a much greater stress on the importance of the initial epistemic change in an individual’s thinking as the key to all later benevolent actions.

In China, Mahāyāna economic ethics continued along similar lines of sangha/ state cooperation. However, the development of Mahāyāna Buddhist economic ethics in China must also be understood in terms of Buddhism’s entry into China as a foreign religion and its efforts to accommodate itself to an already existing Confucian heritage. This accommodation began with Buddhism’s introduction in the first centuries of the Common Era and ultimately resulted in a Chinese transformation of Buddhism which left Chinese Mahāyāna Buddhist ethics much more Confucian and less Indian than they had been previously, although still clearly recognizable as Mahāyāna Buddhist. Specifically, what this meant was a greater emphasis on filial piety—the cornerstone of Confucian ethics—as well as on the values of social harmony and hierarchical social relationships between ruler and subject, husband and

wife, teacher and student, and so on. This Confucian influence was seen most strongly during the beginning of the introduction of Buddhism into China, in the translations of Indian sūtras during the Later Han (25–220 C.E.) and Eastern Chin (317–420 C.E.) periods, but continued even after Buddhism was established and accepted in the more cosmopolitan atmosphere of the Sui (581–618) and T'ang (618–907) periods.<sup>31</sup> As a result, filial piety, although not unknown in earlier Buddhism and already praised as a virtue there, came to be much more emphasized in the Chinese environment. For the Chinese Buddhist laity, this fit in well with social expectations for behavior. For the monk, it presented a huge challenge in terms of justifying such seemingly unfilial behavior as following the traditional Buddhist ideal of leaving home and joining the sangha, in the process cutting ties and obligations to parents.<sup>32</sup>

Buddhism's position in China and the need for accommodation also led to a greater emphasis upon those strands of earlier Buddhist ethics (for monk and laity) referring to gratitude and loyalty, especially to family and sovereign.<sup>33</sup> The ideal of harmony, so strong in Confucianism, was adopted by Chinese Buddhists and applied to all social relationships, as well as becoming the cornerstone of some Chinese Buddhist metaphysical systems, such as the Hua-Yen school established in the seventh century. In this way, both Chinese Buddhist ethics and metaphysics were subtly transformed in the process of assimilation and accommodation to indigenous Confucian ideas, and as a result diverged somewhat from their Indian Mahāyāna predecessors.

Along with such divergencies, however, there were also large areas of continuity between Chinese Mahāyāna and earlier Indian Mahāyāna (and Theravāda) lay and monastic social ethics. For example, giving to the sangha (*dāna*) remained the most virtuous and merit-making activity for the laity. Also economic ethics for the monk in the form of Vinaya rules governing economic matters generally were the same as in Indian Mahāyāna. Moreover, for both monk and laity *karuṇā* (compassion) as an individual virtue continued to be an extremely important.

Yet in each of these areas and in the area of *practiced* economic ethics in particular, Chinese Buddhist economic ethics took on new forms. These new forms could be seen most clearly in various commercial activities of Chinese temples which had not existed in Indian Mahāyāna, such as grain milling, oil seed pressing, money lending, pawnshops, loans of grain to peasants (with interest), mutual financing associations, hotels and hostels, and rental of temple lands to farmers in exchange for some percentage of the crop. In other areas, Chinese temples carried over previously existing Indian Mahāyāna commercial practices such as loans (with interest) against pledges, auction sales of clothing and fabrics, use of lay servants within the monastery to carry out commercial transactions on behalf of the sangha, and allowing goods donated to the sangha which were not used by the monks to be sold or loaned out to earn profits for the sangha. Even in these practices which were carryovers from India, however, new forms developed in China as monks came to be allowed to handle gold and silver and carry out commercial transactions including usury on an individual basis. In most cases such transformations were less a result of changes in the Indian Vinaya than a disregarding of it in practice in China.<sup>34</sup>

Of all the commercial activities of the Chinese monasteries usury in one form or another was clearly one of the most profitable. Part of such usury was from loans to peasants in the form of grain at the beginning of the farming season, with repayment of principal along with a 50 percent interest due at the harvest. Other loans with interest went out in the form of cash to members of the upper classes, soldiers and others, except in the case of those with whom the monastery had a close relationship (based upon lay giving), to whom loans could be interest-free. Loans were also made to temple serfs attached to the monastery, to whom interest was not charged due to the risk-free nature of such transactions since serfs were bound to the temple lands anyway. Due to misuses of usury (not only by monasteries but by other lenders) leading to hardships for peasants, the government during the T'ang period (618–907 C.E.) put limits on interest rates at 4 to 5 percent per month. Both private

moneylenders and the temples however often went beyond these limits.<sup>35</sup>

As time passed such usury was not only undertaken by the monastery itself but by individual monks and became a major activity of many of them. Monasteries apparently condoned such individual usury because even though it led to the development of wealthy individual monks, these monks tended to practice religious giving to the monastery, and after their death their assets usually were inherited by the monastery.<sup>36</sup> In this way individual monk usury was justified in terms of its ultimate benefit to the sangha.

As a result of such usury activities, as well as generous donations from wealthy clans and the Imperial family from the fifth to the seventh centuries in particular,<sup>37</sup> Buddhist monasteries in medieval China became extremely wealthy and the number of monasteries and monks increased considerably. Such wealth resulted in turn in monasteries coming to wield a significant amount of political power as well.

From the state's point of view, however, all of this brought about a considerable loss of tax revenue due to the tax-free status of monastic lands, and a considerable loss of corvée labor brought about by the huge increase in monks (exempted from such labor), many of whom were former peasants. In addition, there was an increasingly lavish consumption of wealth occurring in Buddhist festivals and feasts and construction of temples, stūpas, family mortuaries, and statues. Urged on by Confucians and Taoists who decried these trends as leading to the impoverishment of the empire, the state engaged in periodic persecutions of Buddhism by forced laicization of monks, seizure of monastery wealth (especially gold, silver, and copper) and placing limits on the number of monasteries and temples. Major persecutions of this type occurred in the years 446, 574, and 845. In each case the main goal was to shore up the finances of the empire by forcibly returning monks to peasant life (some of whom had taken up the tonsure to avoid taxes and corvée labor), converting some temple lands to taxable status, and melting down some of the enormous numbers of gold, silver and copper Buddhist statues,

the making of which had led to extreme shortages of these materials available for coinage of money by the empire.<sup>38</sup>

Another reason behind some of the persecutions was the occasional political involvement of monasteries in rebellions or intrigues against the state. This occurred even though “official” Buddhism in the form of state-sponsored temples and monasteries tended to support the state unequivocally. Smaller regional temples and those tied to local great families, however, occasionally got involved in political movements against the state and thus provided a very different example of Buddhist/state relations than the traditional cooperative sangha/state ideal.<sup>39</sup> Also, the occurrence of rebellions during the Sui, T’ang and later periods tied to worshipers of Maitreya, the future Buddha, illustrated how particular Buddhist sects or movements using Buddhist symbols for their own purposes could adopt adversarial relationships with the state and use advocacy of greater economic equality (or at least relief from onerous taxed) as part of their appeal for rebellion against state authority.<sup>40</sup>

The establishment of so-called inexhaustible treasuries and merit-cloisters in Buddhist monasteries were perhaps the best examples of “capitalist” innovations in China originating from Buddhist practices. The practice of inexhaustible treasuries was introduced from Indian Mahāyāna Buddhism and began in China during the Liang Dynasty (502–557 C.E.). They consisted of permanent assets of monasteries in the form of land, money or goods (such as an oil press or flour mill) which were loaned out in exchange for a steady (and inexhaustible) supply of income. These permanent assets usually entered the monastery in the form of donations, either small or large, which were then pooled and put into the inexhaustible treasury. Although never used on more than a small scale in India, in China such inexhaustible treasuries became major commercial operations for monasteries with the income from them used for the support of the monasteries and monks, temple festivals, construction of new temples and various charitable purposes. Some of the income also was used to acquire additional capital in the form of

land or more flour mills or oil presses. In this way, an initial amount of capital in the form of permanent assets of the monastery was used to produce profits which were then partly consumed and partly reinvested into new assets in order to produce additional profits and a larger business. It was this type of productive use of capital to produce more capital on the part of Chinese Buddhist monasteries that led French scholar Jacques Gernet to conclude that the Chinese Buddhist sangha was responsible for the introduction of capitalist practices in China.<sup>41</sup>

It is not entirely clear however whether it was the sangha who took the lead here or whether they were only acting “no differently from the nobility and the rich and powerful families of the empire.”<sup>42</sup> It also can be argued that these practices were not pure capitalism in the modern sense in that the gifts to the monasteries which provided the initial capital were given not with the idea of producing wealth in a capitalist sense but with the intention that such gifts would produce good karma for the donor. Gernet himself, for example, points to the religious nature of the inexhaustible treasuries and the fact that inexhaustible referred not only to an endless stream of income but to an endless cycle of giving and receiving in a Buddhist sense of *dāna* and return of compassion to others.<sup>43</sup> On the other hand, it can also be argued that whatever the original intention of the donations were, their actual use by the monasteries as common assets communally managed to produce income to be reinvested in the “corporation” of the sangha, supports the contention that such practices *did* indeed introduce a type of “communal capitalism” into China that had not existed previously.

The practice of the merit-cloister in the T’ang (618–907) and Sung (960–1126) periods was another example of a Buddhist practice which had commercial overtones. It offers evidence that donations to the monasteries were not only made for religious reasons, but sometimes were used by the wealthy as a form of “tax shelter.” This was because the merit cloister offered the rich and powerful a means to donate land to a monastery and thus avoid taxes on it, while still keeping effective control over it by maintaining the right to appoint and dismiss the monks

who acted as supervisors over the land.<sup>44</sup>

The buying and selling of monk ordination certificates was also a commercial practice which had a broad influence upon the Buddhist sangha in China. Begun originally in the fifth century by the government as a means to raise money for the state, it was later adopted by Buddhist monasteries themselves as a way to raise money. Over time such certificates came to be traded in the marketplace, with their value tied to the perceived economic gain accruing to the holder in terms of tax and corvée labor exemptions and opportunities to engage in usury.<sup>45</sup>

In addition to the above monastic practices which all involved the accumulation and use of wealth, there also occurred innovations in Chinese Buddhist monastic attitudes and practices toward the value of monk labor, specifically in the Ch'an school, that had not existed in India. This is because until Chinese Ch'an, there was a clear prohibition against monk manual or productive labor—not only in commercial activities but in agriculture or even gardening or watering of plants.

The person who initiated these innovations was the eighth-century Ch'an monk Pai-chang Huai-hai. Huai-hai justified monk manual labor over against the clear prohibitions against it in the Vinayas by arguing in a Buddhist way that if the intention behind the deed and not the deed itself was most important, then monk labor was justified as long as it was for the benefit of the Three Treasures. This justification and the practice of monk labor in many Zen monasteries led to the famous saying in the Ch'an (and later Zen) schools, "one day no work, one day no food." Huai-hai used the term *p'u-ch'ing* meaning collective participation to refer to monk labor, with the idea that this implied "all monks in the sangha would work together on a basis of equality to achieve a common goal."<sup>46</sup>

However, there is circumstantial evidence that this Ch'an innovation toward monk labor also was driven at least partly by increasing criticism of the "parasitic" lives of Buddhist monks and the increasing wealth of the monasteries which occurred prior to this Ch'an innovation in the eighth century. Such criticism began as early as the fifth century

and by the ninth century was an important factor in the massive Buddhist persecution of 845 under Emperor Wu. Due in part to the relative economic self-sufficiency of Ch'an monasteries, supported by monk labor, Ch'an was much better able to survive these persecutions than the older more established schools which were heavily dependent upon wealthy outside patrons.<sup>47</sup> The lasting significance of Ch'an attitudes toward monk labor lay in the religious meaning Ch'an found in such labor. This meaning sprang from the selfless character of such work and the experience of nonduality which combining such physical labor and meditation in the meditation hall represented. As one Ch'an text explains:

. . . In these instances of collective participation (*p'u-ch'ing*), all should exert equal effort regardless of whether the task is important or unimportant. No one should sit quietly and so contrary to the wishes of the multitude. . . Rather, one should concentrate his mind on the Tao, and perform whatever is required by the multitude. After the task is completed, then one should return to the meditation hall and remain silent as before. One should transcend the two aspects of activity and nonactivity. Thus though one has worked all day, he has not worked at all.<sup>48</sup>

Performing manual labor in the right manner in this way became a religious act in itself in its expression of the nonduality of worldly labor and Buddhist meditation and thus ultimately *saṃsāra* and *nirvana*.

Ch'an emphasis on monk labor also could be viewed as a reflection of Chinese indigenous ways of thinking about labor and the work ethic. That is, in China the idea that all able bodied adults should perform productive work was a strong part of general social ethics, while in India there was a greater acceptance of nonproductive activities focused on "world renunciation" as being of the higher value than ordinary human labor. Such a difference in the value put on human worldly labor also ultimately reflected the corresponding difference between Indian and Chinese Mahāyāna views of the value of this world itself



(saṃsāra), with Chinese Mahāyāna tending to attribute more inherent value to worldly activities than Indian Mahāyāna.<sup>49</sup> In this way Ch'an views toward monk labor were on the one hand the result of a combination of Buddhist and indigenous Chinese ways of thinking about labor, and on the other hand, an adaptation to the particular historical circumstances Chinese Buddhism found itself in during the eighth to ninth centuries, which included increasing public criticism of nonproductive monks.

In summary then, medieval Chinese Mahāyāna Buddhism exhibited both clear continuities and discontinuities with earlier Theravāda and Indian Mahāyāna economic ethics in terms of attitudes and practices toward wealth and monk labor. Yet, it was the differences perhaps which constituted the more historically important trends. The reasons for such differences undoubtedly sprang from a multitude of factors, but three in particular can be pointed out here as especially significant:

(1) A competition in giving to the monasteries on the part of the Imperial family and aristocracy, especially between the fifth and seventh centuries, led to massive transfers of wealth to the monasteries and in turn to a broad introduction of lay commercial ethics and practices into the sangha.

(2) The favored economic status of monasteries and monks in medieval China (in terms of taxes, corvée labor, and opportunities to produce wealth), along with the fact that as time passed the Chinese monkhood increasingly was drawn from the peasantry, combined to produce a monastic order which included many former peasants who viewed the monkhood in terms of its economic advantages as much as a place to pursue spiritual aims. Given the tremendous economic advantages becoming a monk brought with it and given the life of a peasant at this time, burdened as it was by heavy taxes and corvée labor, this situation was understandable. The sale of ordination certificates of course only encouraged this view of the monkhood as a place to reap wealth.

(3) The general character of Chinese ethical life that Buddhism encountered, dominated as it was by a this-worldly Confucian philosophy

that placed great stress on happiness and prosperity in “this world,” also contributed to the development of more commercially-minded monks and monasteries. These three factors then seem to offer a coherent explanation why medieval Chinese Buddhism developed more commercially oriented and this-worldly economic ethics, ethics clearly reflected in the commercial activities of its monasteries and monks during the fifth to twelfth centuries.

#### MAJOR TRENDS IN JAPANESE BUDDHIST ECONOMIC ETHICS

The development of economic ethics in Japanese Buddhism can be seen as a continuation of tendencies begun in Chinese Buddhism in many ways. In Japan, however, rather than Confucianism as the main indigenous influence on Buddhist ethical thought, there were both Confucian and Shinto influences on Buddhist ethical thought in Japan. The Confucian influence derived partly from the historical fact that Buddhism was introduced to Japan from Korea and China (rather than directly from India) and as a result the first Buddhist texts in Japan were all early Chinese texts which reflected Confucianism in their translation from Sanskrit.<sup>50</sup> The Shinto influence on the other hand derived mainly from Japanese Buddhism’s need to accommodate itself to indigenous religious thinking, and was reflected in such doctrines as the equating of Buddhist bodhisattva with Shinto kami (*honji suijaku*), and the practice of the placement of Buddhist temples and shrines in close proximity and an accompanying philosophy of *Shin-Butsu Shugo* or “Shinto-Buddhism Synthesis.” Shinto thinking was also incorporated by the inclusion of Shinto world-affirming tendencies, evidenced in the predominance given the idea of *hongaku shiso* or original enlightenment in Japanese Buddhism. In this way, Japanese Buddhist ethics from the beginning were a particular mixture of Mahāyāna Buddhist metaphysics, Confucian social and political ethics and indigenous Shinto world-affirming tendencies.

What this meant for Japanese Buddhist ethics was that they have

tended to focus on social harmony (*kokyo wago*) and the concept of *h'n*, or the need for an endless return of benefits from the individual to parents, ruler, sentient beings and the Three Treasures. Social harmony of course was the central concept of Confucian social ethics.<sup>51</sup> *H'n*, or the idea of return of benefits from individual to parents and ruler, moreover, corresponds to the Confucian virtues of filial piety and loyalty to the sovereign.<sup>52</sup> Thus it was only with the last two relationships, those between individual and all sentient beings and individual and the Three Treasures that more specifically Buddhist values became apparent.

Such a mixture of Buddhist and Confucian ideas in Japanese Buddhist social ethics was clear in the *Seventeen Article Constitution* (604 C.E.) of Prince Sh'toku Taishi, the devout Buddhist nephew of Empress Suiko and a member of the Soga clan. The Soga clan, of course, was mainly responsible for introducing Buddhism into Japan over the objections of other rival clans who argued that Buddhism would offend the local *kami*. Apart from any pietistic reasons, the Soga clan introduced Buddhism because of its identification with higher Chinese culture and in order to bolster their claims to Imperial power. The *Seventeen Article Constitution* itself skillfully blended Confucian ethical ideas with state support for Buddhism. Thus in this early state patronage for Buddhism and its mixture with Confucian social ethics, the pattern was set for much of the later institutional and ethical development of Buddhism in Japan.

The pattern of state patronage of Buddhism can be seen especially in the history of Zen, one of the two largest schools of Buddhism in Japan over the past seven hundred years (along with Pure Land). The founders of the two main Zen schools in the twelfth century, Eisai (Rinzai School) and D'gen (S't' School), both viewed the laws of the state as corresponding to the rules of the monastery, and identified the proper relationship between state and sangha as one in which "Zen tradition and its magical formulae provide security for the state while the state protects and patronizes Zen."<sup>53</sup> Both also made use of this idea that Buddhism can protect the state in their efforts to secure state patronage and support for their schools. Such efforts were successful, especially

in the case of Eisai's Rinzai school, which came to be heavily patronized by Japan's military rulers from the thirteenth through the sixteenth centuries. Rinzai Zen masters following Eisai such as Muso Soseki (1275–1351) and others continued his tradition of close cooperation with the ruling authorities by playing the roles of teachers and advisors to the Shoguns and major feudal lords, acting as diplomats in international relations and even helping to quell unruly elements among the populace from time to time.<sup>54</sup>

Zen's close relationship with Confucian ethics, on the other hand, can be seen in the way Zen monks were responsible for introducing Sung neo-Confucianism into Japan in the thirteenth century and establishing the first schools to teach it to the warrior class. As a result, Zen temples until the seventeenth century dominated the teaching of Confucianism in Japan until independent neo-Confucian schools finally were set up during the Tokugawa period (1600–1868). Zen support for Confucian social ethics seems to have been based upon the usefulness of Confucian ethics as an ethical teaching for Zen's primary sponsors, the samurai. Moreover, even after the new Confucian schools in the Tokugawa period became increasingly critical of Zen and other Buddhist schools and wrested control over Confucian studies away from the Zen temples, Zen temples continued to teach Confucian ethics to the common people in the so-called *terakoya* (temple schools), while Zen masters continued to advocate Confucian social ethics in their writings. In this way, Zen has often tied its own social ethics to those of Confucianism throughout its history.<sup>55</sup>

Of course in these patterns of both close cooperation with the state and adoption of Confucian social ethics, Zen Buddhism was only following an earlier pattern established in Chinese Buddhism. Thus it should not be surprising that in terms of its economic ethics, Japanese Buddhism as a whole generally followed the Chinese pattern and allowed monasteries to engage in such economic activities as land ownership and rental of land for interest income, money lending, pawnshops, sponsorship of guilds and local markets, and even leadership of trade mis-

sions to China, all of which were allowed on the doctrinal basis that income from them was to be used for the Three Treasures. Individual monks were also eventually allowed to acquire personal wealth, as fourteenth to fifteenth century Zen temple records show. One type of wealthy monk in particular, the *shosu* or estate overseers, were able to receive as personal income anywhere from 1 to 10 percent of the total income from the lands they oversaw.<sup>56</sup>

The Chinese pattern was also followed in the trend toward the accumulation of wealth and power by Japanese Buddhist temples leading to various criticisms of such wealth and power and periodic government efforts to control their growth, beginning as early as the seventh century. In Japan, however, government repression resulted in a fewer number of major persecutions than in China. The major ones were generally restricted to the years 1570–1590 under the warlords Oda Nobunaga and Hideyoshi Toyotomi (their purpose being to break the military and economic power of the temples),<sup>57</sup> and those of the 1860s to 1870s as a part of Meiji government policy to forcibly separate Shinto and Buddhism and establish the superiority of the Shinto.<sup>58</sup> In Japan also, up until the late sixteenth century the state periodically shifted its support from one Buddhist school to another as earlier schools were judged to have become too powerful, too corrupt, or too connected to previous regimes. The ability of Buddhist temples to prosper in spite of this and gain increasing wealth is shown by the fact that by the mid-sixteenth century prior to Oda Nobunaga's major persecutions, all Buddhist temples as a whole controlled as much as 25 percent of the cultivated land in the country, as well as holding extensive political control in many local areas.<sup>59</sup>

In terms of *lay* economic ethics in pre-modern Japanese Buddhist history, the formal teachings of the major schools generally stressed the importance of observing the laws of the land, and equated (as with Eisai and D'gen), the observance of secular law with the observance of Buddhist religious laws or precepts. This was especially true of Zen, but also of the Pure Land schools and the older Shingon, Tendai (T'ien T'ai)

and Kegon (Hua-Yen) sects.<sup>60</sup> At the same time, beginning in the Tokugawa period, Zen and Pure Land schools increasingly emphasized ascetic merchant-type lay economic ethics centered on the values of frugality, diligence and the religious significance of productive labor. For example, in *Banmin Tokuyo* or *The Significance of Everyman's Activities*, Suzuki Shōsan (1579–1655), a Zen monk during the early Tokugawa period, expressed the religious value behind ordinary labor as follows:

Every profession is a Buddhist exercise. You should attain Buddha through your work. . . . Farming is nothing but a Buddhist exercise. If our intention is bad, farming is a lowly work; but if you are deeply religious, it is the saintly work of a Bodhisattva. . . . Do hard work in the heat and in the cold; regard as an enemy your own flesh overgrown with evil passions; turn up the soil and reap in the harvest. . . . Those engaged in trade should first of all learn how to make as much profit as possible. . . . Regard your trade as a gift of Heaven. Leave yourself at the mercy of Heaven, cease to worry about gain, and be honest in business.<sup>61</sup>

In a similar way, Pure Land Buddhist lay ethics, specifically in the Jōdo Shin sect in the Tokugawa period, moved away from their earlier reliance on pure faith alone and toward ethical action linked to faith. This ethical action consisted mainly of diligent work in one's occupation, along with an ascetic attitude toward consumption. Jōdo schools also justified merchant profit-making through the doctrine of *jiri-rita* or "profiting both self and other." For the Jōdo Shin believer, devotion to one's work or occupation thus became an important means to aid his salvation.<sup>62</sup>

The Confucian strain in Japanese Buddhist social ethics, however, could make for an antimerchant tendency in some teachings, as in Tokugawa Zen master Takuan Soho's criticism of merchants for their greed and lack of kindness.<sup>63</sup> This was not surprising since in traditional Confucian social ethics, the merchant was not highly evaluated and the economy itself was seen as a zero-sum game where profits for the mer-

chant implied a loss for others. Takuan's criticism, however, can also be viewed more as a criticism of the misuse of profits or an improper way to accumulate them (through greed rather than honest hard work) rather than as a criticism of profit-making itself.

The Buddhist concepts of *anātman* and original enlightenment (*hongaku shiso*) also contributed important doctrinal aspects to Japanese Buddhist social teachings and lay ethics in both the late medieval (1185–1600) and early modern (1600–1868) periods. *Anātman* or *muga* in Japanese tended to be equated by Zen Buddhists with absolute loyalty to one's lord, offering another example of the amalgamation of Confucian ethics into Japanese Buddhism. Such a tendency was widespread in Japanese Buddhism throughout late medieval and early modern periods, but especially so in Zen, due to its close connections to the warrior class and the state. Zen advocacy of "loyalty to one's lord" has also continued to exist even into the modern period as many Zen temples were able to identify *anātman* (or *muga*) with loyalty to the Emperor before and during World War II, and to identify it implicitly if not directly with diligence and loyalty to the company in the post-war period in Zen meditation sessions held for Japanese company employee training programs.<sup>64</sup>

The concept of original enlightenment (*hongaku shiso*), on the other hand, was used in Japanese Buddhism to refer to the idea that all sentient beings already are originally enlightened and only need to get rid of their delusion or ignorance in order to return to their original state. Although this would seem to imply the basis for the equality of all humans, in Japan it came to be used to affirm the world as it is and was used by at least some Japanese Buddhists to explain and justify the status quo order of society, including existing social and economic inequalities. Thus the idea of "discrimination is equality" (*shabetsu soku byodo*) or the "nonduality of all things" was employed in the Meiji period by many Buddhists to justify the growing social and economic inequalities brought about by the rise of capitalism.<sup>65</sup>

Japanese Buddhist attitudes toward lay economic labor have tra-

ditionally relied upon the concept of *h'in* or return of benefits and viewed labor as an expression of one's gratitude for benefits received from one's master or employer. This was especially true in the pre-modern period (before 1868) when emphasis was clearly placed on the individual's strong obligations to their social nexus, including their employer or master. With the development of Japanese capitalism in the modern period (1868–present), however, the majority of Japanese Buddhist temples continued to lean on this view of labor as return of benefits as the basis for their view of labor-management relations. As a result most temples were not that sympathetic to the labor movement when it began to develop in the early twentieth century, and were not at all sympathetic to Japanese socialism, which they labeled “bad equality.”<sup>66</sup> Teachings for the Buddhist laity also generally continued to urge support for state economic and political policies, which focused on the national goal of achieving a “rich country, strong army.”

Japanese Buddhist temples during the Meiji period (1868–1912) in particular were supportive of government modernization policies because they wished to find favor with the government following the government-backed persecutions of Buddhism in the 1860s and 1870s. These persecutions had been aimed at abolishing Buddhist-Shinto syncretism and establishing Shinto, along with the Emperor system, as the center of Japanese ethical and religious values.<sup>67</sup> As a result, most Buddhist temples hoped to protect themselves and their own positions from further criticism by working hard to curry favor with the state.

The enthusiastic response of Buddhist temples to the Imperial Rescript on Education (1890) and the Boshin Rescript (1908) reflected this strategy of accommodation to government led “economic modernization.” These rescripts were used by the government as a part of its program of moral education to foster public support for state policies and goals. By enthusiastically supporting these rescripts then Buddhist temples were in effect supporting government-led economic modernization efforts. The same strategy of accommodation could be seen in many Buddhist writings on socialism and the labor movement at this



time, problems to which the solution was seen as pursuing a policy of “mutual assistance between the rich and poor,” based upon the ideal that “managers should be paternal; [and] workers should ‘return the benefits’ received from their bosses and work out of ‘gratitude’.”<sup>68</sup> Poverty thus was viewed as a moral problem and a result of bad karma rather than the result of economic factors or institutional problems. It is perhaps not surprising then that Buddhist temple charity at this time was often done in the name of benefiting the state.<sup>69</sup>

In conclusion, Buddhism’s role in Japan’s modern economic development and the rise of modern capitalism in prewar Japan was a mixture of both positive and passive support. Such support was positive in the sense that Buddhist temples generally supported the values of diligence and hard work, honest profit-making, a view of labor as “returning benefits” and obedience to state policies of economic modernization. At the same time, Buddhism’s role was only passively supportive in the sense that Buddhist believers and temples themselves did not lead Japan’s modern economic transformation or even encourage its beginning. Instead they initially were noncommittal to government modernization policies and only later became more ardent supporters after the persecution of Buddhism in the 1860s and 1870s. Thus, while there was a clear Buddhist role in the development of such ascetic-merchant values as diligence, hard work, and honest profit-making during the period preceding Japan’s modernization and these values were certainly supportive of Japan’s modernization once it got started, it was neither Buddhist merchants nor Buddhist values which directly led Japan’s modernization. Instead it was young patriotic samurai and their ethical values based upon an intense nationalism or patriotism expressed toward the person of the Emperor and the nation itself.<sup>70</sup> Moreover, even ascetic-merchant values themselves, as helpful as they were, were less the result of Buddhist lay economic ethics alone than a combination of Buddhist ideas with Confucian thought and values.<sup>71</sup> In this way, it was more the values of “Japanese religion” rather than “Japanese Buddhism” alone which provided the ethic of hard work, loyalty to the state and

subservient labor which helped enable the successful implementation of modernization policies initiated by a central government dominated by samurai values of loyalty to Emperor and state.

### CONCLUSIONS

This paper has given evidence for both the *continuity* of Buddhist attitudes toward wealth and labor, as well as the *transformations* in these attitudes which occurred as the result of the interaction of Indian Buddhist values and indigenous Chinese or Japanese ways of thinking. Continuities are most evident on the *lay* side of Buddhist teachings in all three countries and in the general trend toward acceptance of lay wealth (and economic inequalities), encouragement of wealth accumulation (as long as by honest means and without attachment to such wealth) and the importance put on giving away such wealth to support the sangha and as a way to demonstrate lack of attachment to it. Transformations, on the other hand, are shown most vividly in the changes in monastic Vinaya rules and actual monastic practices over time. Compared to the original extremely restrictive rules which prohibited almost any type of economic activity for either monk or monastery, more relaxed regulations eventually developed as time passed, first in India and later in various schools in China and Japan. Nowhere was this trend more obvious than in the development of usury and the accumulation of individual wealth by individual monks. Although such activities were never universal and varied with historical time period, they still show the greater degree of transformation that occurred in monk economic ethics compared to lay ethics for the three countries reviewed.

Such changes in practiced monastic economic ethics reflect the influence of indigenous ways of thinking upon the development of Buddhist ethics in China and Japan. Buddhist ethics and practices themselves also influenced indigenous ways of thinking in China and Japan, in particular in terms of the idea of giving to the sangha (*dāna*) as a type

of spiritual “investment” or merit-making. Whether such giving by any individual was ultimately more for religious or economic reasons, it contributed to the development of more advanced forms of communal investment in countries where it was practiced, in particular in the form of “inexhaustible treasuries,” and other innovative commercial practices such as merit cloisters and pledge-based usury.

In the final analysis, however, Buddhist economic activities and economic values never seemed to play a *direct* role in the development of a more *modern* type of capitalism in any of the three countries examined (including Japan). This is partly due to the inherently conservative and amelioratory tendencies in Buddhist theories of political and social change and to the strong emphasis on giving to the sangha (*dāna*) as the best “investment” an individual could make for their future. In this way it was not an absence of rationalizing tendencies (in Weberian terms) in Buddhism which led to an inability to contribute to the rise of a modern form of capitalism in Asia but an absence of an activist and independent role vis-à-vis secular authorities and institutions, while at the same time supporting consumption of surplus capital in *dāna* rather than lay investment of this capital in secular businesses. At the same time, this conclusion does not intend to downplay the political realities which existed in India, China and Japan which made such a more activist and independent economic and political role by Buddhist temples or lay society difficult.<sup>72</sup>

Thus, while on the one hand Buddhism’s role in the economic development of these three countries was to encourage lay accumulation of wealth and productive labor, on the other hand, official doctrine seldom varied in ultimately viewing such lay wealth and labor as less important (except perhaps in Zen and later Pure Land) than activities directly related to monk enlightenment or lay merit-making through *dāna*. As a result, while Buddhist lay ethics may have helped provide the *necessary* type of lay values for the development of modernization and modern capitalism (in Japan for example), these ethics were not *sufficient* factors in themselves to propel such development.<sup>73</sup> Moreover,

while Buddhist believers and institutions were not the initiators of the political, social and economic changes which led to economic modernization in Japan in particular, this does not eliminate a certain Buddhist “flavor” to the strong work ethic and almost religious view of work which has supported the development of modernization and modern capitalism in Japan.

In terms of issues of economic equality and distributive justice on the other hand, Buddhist teachings were generally less interested in changing the current distribution of wealth than in cultivating the proper attitudes toward wealth, which were defined as those of giving and nonattachment. This position relied upon a karmic interpretation of social and economic inequalities which served to justify them (and therefore view them as a type of economic justice). Such a position also served as a rationale for a cooperative attitude toward the ruling authorities and for upholding the social, political and economic status quo. Of course, this was the dominant tradition in the form of the teachings of the majority of Buddhist schools. A minority tradition also existed (in particular in China) of movements which called for political upheaval based upon an interpretation of teachings concerning Maitreya, the future Buddha.

The above view of social and economic inequality is also in accord with a view of karma which sees intervention in the economic organization of society as only tending to produce more potential karma and entanglement in *saṃsāra*. While such a view leaves open the opportunity for the exercise of compassion (including material help to others), it avoids more interventionist efforts to control and redirect existing wealth distribution. When applied to contemporary economic policies, this appears to lead to a more *laissez-faire* or politically conservative approach to issues of wealth distribution rather than a “liberal” or “socialist” approach of redistributing wealth based on some definition of economic justice. Whether such a *laissez-faire* approach or a more socially interventionist approach represents the true application of Buddhist principles, however, will continue to remain open to debate, due

partly to the very ambiguity of Buddhist concepts themselves. As a result the evidence for assuming that Buddhist economic ethics imply political policies of a socialist “welfare state,” as done by some recent Buddhist scholars, remains far from being unambiguously clear.<sup>74</sup>

#### NOTES

1. For a good discussion of this see George Rupp, “The Relationship Between Nirvana and Samsara: An Essay in the Evolution of Buddhist Ethics,” *Philosophy East and West* 21 (1971): 55–58.
2. See Louis Gomez, “Emptiness and Moral Perfection,” *Philosophy East and West* 23 (1973): 361–73.
3. The basic prohibitions can be listed as follows: No contact with money nor causing someone else to have contact, no engaging in agriculture nor causing someone else to engage in agriculture, and no keeping of food or clothing over a certain amount. See Nakamura Hajime, *Genshi Bukkyō no Shakai Shiso (Social Thought in Primitive Buddhism). Selected Works of Nakamura Hajime*, vol. 18 (Tokyo: Shunjusha, 1993), 130–33.
4. *Ibid.*, 133–35. There is still much controversy over when this “laxity” in the Vinaya began and due to what reasons. One traditional explanation attributes it to the Mahāsaṃghika/Sthavira schism and Mahāsaṃghika laxity. However, this view has been brought into question in a now classic article by Janice Nattier and Charles Prebish: “Mahāsaṃghika Origins: The Beginnings of Buddhist Sectarianism,” *History of Religions* 16/3 (1977): 237–72.
5. See Russell Sizemore and Donald Swearer, “Introduction,” in *Ethics, Wealth and Salvation: A Study in Buddhist Social Ethics*, ed. Russell Sizemore and Donald Swearer (Columbia: University of South Carolina Press, 1990), 13–14.
6. Nakamura, *Genshi Bukkyō*, 141–49; 160–61. See also Balkrishna Gokhale, “Early Buddhism and the Urban Revolution,” *Journal of the International Association of Buddhist Studies* 5/2 (1982): 18–20.

7. Nakamura, *Genshi Bukkyō*, 150–161; 224. A good example of this contrast between Buddhist and Brahmin ethics can be seen in the *Kūṭadanta Sutta*.
8. *Dīgha Nikāya*, pt. III of *Dialogues of the Buddha*, trans. T.W. and C.A.F Rhys David (London: Luzac and Co. Ltd., 1971), 180 ff. I use here the translation of Peter Pardue in *Buddhism: A Historical Introduction to Buddhist Values and the Social and Political Forms They Have Assumed in Asia* (New York: MacMillan Co., 1971).
9. See Phra Rajavaramuni, “Foundations of Buddhist Social Ethics,” in *Ethics, Wealth and Salvation*, 35–43; and Pardue, 28–29.
10. See *Dīgha Nikāya*, pt. II, 59–76; and the *Kūṭadanta Sutta*, pt. I in *Dialogues of the Buddha*, 173–85.
11. See pt. II in *Dialogues of the Buddha*, 199–232.
12. Nakamura, *Genshi Bukkyō*, 161–76.
13. Sizemore and Swearer, *Ethics, Wealth and Salvation*, 35; 40.
14. Nakamura, *Genshi Bukkyō*, 215–18; 244–45; and Sizemore and Swearer, 13–14.
15. Sizemore and Swearer, 21.
16. *Ibid.*, 58.
17. Pardue, 28. For discussion on early Indian monastic ownership of such “slaves” or servants, see also Gregory Schopen, “The Monastic Ownership of Servants or Slaves: Local and Legal Factors in the Redactional History of Two Vinayas,” *Journal of the International Association of Buddhist Studies* 17 (1994): 145–73.
18. See Gunapala Dharmasiri, *Fundamentals of Buddhist Ethics* (Antioch: Golden Leaves Publishing Co., 1989), 62–66; and A. Thomas Kirsch, “Economy, Polity and Religion,” in *Change and Persistence in Thai Society*, ed. G. William Skinner and A. Thomas Kirsch (Ithaca: Cornell University Press, 1975), 180–82.
19. Dharmasiri, *Fundamentals of Buddhist Ethics*, 62. The story of the Brahmin youth Assalayana is an apparent example of the Buddha’s view of the inherent spiritual equality of all persons. See Nakamura Hajime, *Buddhism in Comparative Light* (Delhi: Motilala Banarsidass, 1986),

103–4.

20. Nakamura, *Buddhism in Comparative Light*, 94.

21. See the *Cakkavatti-Sihanāda Sutta* for an early exposition of this idea in Buddhism (*Dīgha Nikāya*, pt. III, 59–76). The Cakravartin king idea was not limited to Buddhism but also has a long history in Hinduism.

22. Robert Thurman, “Edicts of Aśoka,” in *The Path of Compassion: Writings on Socially Engaged Buddhism*, ed. Fred Eppsteiner (Berkeley: Parallax Press, 1988), 116–17.

23. *The Edicts of Aśoka*, trans. N. A. Nikam and Richard McKeon (Chicago: University of Chicago Press, 1959). See especially pages 40–41 for an idea of Aśoka’s concept of “Dharma” and 43–65 for examples of specific applications of this concept of Dharma.

24. Sizemore and Swearer, 9.

25. Rajavaramuni, “Foundations of Buddhist Social Ethics,” 9.

26. Nakamura, *Genshi Bukkyō*, 227; and Rajavaramuni, 45.

27. Melford Spiro, *Buddhism and Society* (New York: Harper and Row, 1970), 460; and David Little, “Ethical Analysis and Wealth in Theravada Buddhism: A Response to Frank Reynolds,” in *Ethics, Wealth and Salvation*, 84.

28. For an interesting discussion on how such different ideas toward *dana* and use of wealth seemingly contributed to contrasting patterns of economic development in Thailand and Japan, see Eliezer Ayal, “Value Systems and Economic Development in Japan and Thailand,” in *Man, State, and Society in Contemporary Southeast Asia*, ed. Robert Tilman (New York: Praeger, 1969).

29. Rupp, “The Relationship Between Nirvana and Samsara,” 59–63.

30. Robert Thurman, “Nāgārjuna’s Guidelines for Buddhist Social Activism,” in *The Path of Compassion*, 131–39.

31. See Nakamura Hajime, “The Influence of Confucian Ethics Upon Chinese Translations of Buddhist Sutras,” *Sino-Indian Studies* 5 (1957): 156–70; and Kenneth Chen, *The Chinese Transformation of Buddhism* (Princeton: Princeton University Press, 1973).

32. For a discussion of how Chinese Buddhism dealt with this problem, see Kenneth Chen, *Buddhism in China* (Princeton: Princeton University Press, 1964), 50–57.
33. Nakamura, “The Influence of Confucian Ethics,” 163–68.
34. See Chen, *The Chinese Transformation of Buddhism*, 76; 135–78. See also Jacques Gernet, *Buddhism in Chinese Society: An Economic History From the Fifth to the Tenth Centuries*, trans. Franciscus Verellen (New York: Columbia University Press, 1995), 70; and Martin Collcutt, *Five Mountains: The Rinzai Zen Monastic Institution in Medieval Japan* (Cambridge: Harvard University Press, 1981), 249–50.
35. Chen, *The Chinese Transformation of Buddhism*, 110; 161.
36. Gernet, 92.
37. A “competition” in aristocratic giving to Buddhist monasteries occurred during this time, with rich families vying with each other to show their piety and gain merit. See Gernet, 278–97.
38. *Ibid.*, 21.
39. Gernet, for example, gives a list of “Buddhist” inspired rebellions (page 288) as well as evidence to show that Chinese Buddhism in the period under discussion (400–1000 C.E.) often was strongly promoted by elements of the aristocracy less committed to Confucian values and more interested in acquisition of private wealth and political power (278–97).
40. See Arthur Wright, *Buddhism in Chinese History* (Stanford: Stanford University Press, 1959), 69; and Joseph Kitagawa, “The Many Faces of Maitreya,” in *Maitreya, The Future Buddha*, ed. Alan Sponberg and Helen Hardacre (Cambridge: Cambridge University Press, 1988), 17–18. For more details on particular rebellions and their use of the theme of economic inequality between rich and poor, see Daniel Overmeyer, *Folk Buddhist Religion: Dissenting Sects in late Traditional China*. (Cambridge: Harvard University Press, 1976), 120–23.
41. Gernet, 227–28, and Chen, *The Chinese Transformation of Buddhism*, 178.
42. Chen, *The Chinese Transformation of Buddhism*, 178.



43. Gernet, 214.
44. Not all monasteries' properties had tax-free status so this only was possible for those which did. See Gernet, 47;141.
45. *Ibid.*, 58–60.
46. Chen, *The Chinese Transformation of Buddhism*, 148–49.
47. See Collcutt, 250; and Heinrich Dumoulin, *A History of Zen Buddhism: India and China* (New York: Pantheon Books, 1963), 243. Not only Zen, but Pure Land's survival also seems to have been due at least partly to economic reasons, that is to its base of support coming from the masses. In contrast, the Hua-Yen, T'ien T'ai and Fa-Hsiang patrons, including the Imperial family, and their connection with the "parasitic" practices mentioned above help to explain their decline. See Collcutt, *Five Mountains*; and Chen, *The Chinese Transformation of Buddhism*.
48. Chen, *The Chinese Transformation of Buddhism*, 150.
49. *Ibid.*, 151.
50. See Nakamura, "The Influence of Confucian Ethics."
51. See Dert Bode, "Harmony and Conflict in Chinese Philosophy," in *Studies in Chinese Thought*, ed. Arthur Wright (Chicago: University of Chicago Press, 1953), 45–47.
52. Christopher Ives, *Zen Awakening and Society* (Honolulu: University of Hawaii Press, 1992), 93; and Winston Davis, *Japanese Religion and Society* (Albany: State University of New York Press, 1992), 157.
53. Ives, *Zen Awakening*, 56.
54. Collcutt, 57–61. Also see Collcutt for more discussion of the Gozan or Five Mountain system of Rinzai Zen temples established at this time through government patronage.
55. *Ibid.*, 60–64; and Ives, 64–65.
56. Collcutt, 253–80.
57. For more details, see Neil McMullin, *Buddhism and the State in Sixteenth Century Japan* (Princeton: Princeton University Press, 1984).
58. See James E. Ketelaar, *Of Heretics and Martyrs in Meiji Japan: Buddhism and Its Persecution* (Princeton: Princeton University Press, 1990).

59. See McMullin, *Buddhism and the State in Sixteenth Century Japan*, 251.
60. Heinrich Dumoulin, *Buddhism in the Modern World* (New York: MacMillan, 1976), 228.
61. Nakamura Hajime, “Suzuki Shōsan, 1579–1655 and the Spirit of Japanese Capitalism in Japanese Buddhism,” *Monumenta Nipponica* 22 (1967): 6–8.
62. See Dumoulin, *Buddhism in the Modern World*, 228; and Robert Bellah, *Tokugawa Religion* (Glencoe: Free Press, 1970), 118–19. Bellah, however, seems to assume that the Jōdo Shin attitude toward profits was an innovation in Buddhism, when actually a similar attitude had existed already in early Indian Buddhism, as has been pointed out by Nakamura Hajime in *Genshi Bukkyō no Shakai Shiso* (*Social Thought in Primitive Buddhism*). See *Selected Works of Nakamura Hajime*, vol. 18 (Tokyo: Shunjusha, 1993), 141–61; and Balkrishna Gokahale, “Early Buddhism and the Urban Revolution” *Journal of the International Association of Buddhist Studies* 5/2 (1982): 18–20.
63. Ives, 62.
64. See Daizen Victoria, “Japanese Corporate Zen,” *Bulletin of Concerned Asian Scholars* 12 (1984): 61–68.
65. See Paul Swanson, “‘Zen is not Buddhism’: Recent Japanese Critiques of Buddha-nature,” *Numen* 40 (1993): 115–21; and Davis, *Japanese Religion and Society*, 157–58.
66. *Ibid.*, 158–75.
67. For details, see Ketelaar, especially 43–86.
68. Davis, 172–76.
69. *Ibid.*, 176–78.
70. *Ibid.*, 133; 153–88.
71. For example see Bellah on the thought of Shingaku in *Tokugawa Religion*, 142–43.
72. Space here does not allow a more detailed discussion of the nature of these political conditions in each of the three countries. Suffice it to say that in China and Japan in particular, the political situation Buddhism

faced for most of its history there made a strong independent role both economically and politically difficult. For more detailed discussions see Chen, *The Chinese Transformation of Buddhism*.

73. Nakamura makes a similar argument for religious ethics in the West in their relation to the development of capitalism. See Nakamura, *Genshi Bukkyō*, 261.

74. For two examples of such an assumption, see Thurman, “Nāgārjuna’s Guidelines,” and Wapola Rahula, “The Social Teachings of the Buddha,” both in *The Path of Compassion*.