

CHAPTER

6

BUDDHIST ECONOMICS IN COMMERCE AND INDUSTRY

The Buddhist Support of Commerce

The Buddhist support of commerce in Japan came to fruition during the Edo period (1603–1867), which witnessed an explosion of economic activity. The era has been characterized by the late Japanologist Edwin O. Reischauer as the beginning of the development of Japanese capitalism. Sociologist Robert Bellah (1879–1971), another student of this period, found parallels in the connections between the Weberian Protestant work ethic and capitalism, and between the rise of Japanese capitalism and the religious thought of the time.

However, the idea of combining commerce with spiritual practice is not a new one and can be found long before the Edo period began, in the words of Rennyo (1415–99), the eighth abbot of Hongan-ji, the Kyoto temple founded by Shinran in the thirteenth century. Rennyo was called the “second founder” of the Jodo Shinshu sect of Pure Land Buddhism, and he said: “When engaged in business, do it as the work of the Buddha.” This advice was strictly followed by merchants in the Omi region (present-day Shiga Prefecture) in central Japan where Rennyo’s teachings had a strong influence. Even today, firms that started in this area, such as Itochu, one of the top Japanese trading companies, have prospered by adopting this philosophical approach in their business dealings.

Another individual who echoes the same spirit of capitalism and spiritual practice is the Soto Zen Buddhist monk Suzuki Shosan (1579–1655). He advocated that each man’s work—regardless of what he does—is deeply worthwhile and is itself a pathway to Enlightenment. He is remembered for the words: “All commercial activity is the Buddha’s activity.” Although his principles did not allow him to support commerce actively, he did encourage merchants to reflect on their spiritual life, to be honest in their dealings, and to develop the mind of a bodhisattva, a being who cares for and saves human beings. If his many merchant adherents sincerely persevered in such spiritual practices, he said, they would all be assured of a

blessed life and would also be financially rewarded.

Another man from a little later who also deserves mention for the development of merchant ethics is Ishida Baigan (1685–1744), a religious leader who started the popular movement Sekimon Shingaku, which combined Shinto, Confucian, and Buddhist ideals. Movements such as this spread the Buddhist approach to commerce across a wide spectrum of ordinary people in Edo-period Japan.

By the Meiji period (1868–1912), we begin to see a decline in the Buddhist approach to commerce. The new Meiji policy of promoting Shinto dealt a blow to Buddhism, and the opening of Japan to the West brought other ideas into the country. One leading entrepreneur who proved an exception was Eiichi Shibusawa (1840–1931), who is frequently called the founder of modern Japanese capitalism. The son of a wealthy farmer who rose to a position of power in government circles, Shibusawa held firm to his belief that commerce and ethics should go hand-in-hand. Much influenced by new Christian ideals that were flowing into Japan, he also founded the Shinkyokai (New Church) movement, which combined Buddhism with Christianity, Shinto, and Confucianism.

Another prominent and noteworthy figure of this period is Zenjiro Yasuda (1838–1921), the founder of one of the largest private Japanese banks, the Fuji Bank. Honest, reliable, and kind, Yasuda came from a devout Pure Land Buddhist family and started his career as a

money-changer. He soon prospered, and went on to found a series of banks, later diversifying into insurance and railway companies. Unlike the national banks and moneylenders of his time, the Yasuda Bank, as the Fuji Bank was called then, became popular for its fair treatment of customers, and particularly for its policy of not discriminating against people for their social status. At this period, Japan was still a very class-conscious society, with the classes based on social rankings set in the feudal era. It was Yasuda's belief that everyone in the modern age should be treated with the same respect, and he conducted his banking accordingly. He was even known to seek out entrepreneurs of ability so he could lend them money to enable them to manufacture quality products that would benefit society as a whole.

Yasuda's concern for all classes of society came from his upbringing in the Pure Land Buddhist tradition, one of whose fundamental beliefs is that everyone is equal in the eyes of Amitabha Buddha. The sect's tradition of self-negation for the sake of helping others manifests itself in the motto of his bank: "To do business, forget about yourself and put yourself in the customer's place." One example of Yasuda "forgetting about himself" was the large sums of money he frequently donated to charitable causes, which were made anonymously and in secret. In doing this he followed the teachings of Shinran, the founder of the sect, who had admonished believers not to

engage in self-promotion, and only after Yasuda's death was it revealed that the donations had been made by him. During his lifetime Yasuda was even criticized by the newspapers for his parsimony, compared to the Christian founder of a large food manufacturer of the same period, Taichiro Morinaga, whom the press dubbed "the saint of the business world." In characteristic style, Yasuda simply disregarded such remarks, since charity in the Buddhist sense is not something to be flaunted.

Even more fundamental in the Buddhist approach to business is the idea that the activity itself should be an act of charity and service to the world, so one should not engage in business that does not serve the world and then brag about being a philanthropist. Yasuda's Buddhist attitude toward commerce earned him great respect, particularly when he bailed out the city of Tokyo with his personal funds in 1898, as a financial crisis was threatening it. Since that time, the city of Tokyo has always deposited its tax revenues at Yasuda Bank, which changed its name to Fuji Bank in 1948.

After Yasuda's death, his kindly business spirit was continued by Kichizaemon Takemura (1900–1984), who rebuilt the Yasuda Mutual Life Insurance company that Yasuda founded. Takemura promoted these ideals in a monthly magazine, *Kokoro no Kate* ("Food for the Heart"), published by the Bukkyo Shinko Zaidan (The Foundation for the Promotion of Buddhism) and featuring arti-

cles educating the business community about Buddhist principles.

The Role of Profit

Buddhist economics must also reflect on the fundamental purpose of economics. While Adam Smith coined the phrase “the pursuit of self-interest” and regarded self-interest to be the driving force behind economics, the Buddhist motivation for work must be the pursuit of the interests of both oneself and others. This idea, as mentioned earlier, derives from the teachings of the medieval priest Shinran, who advocated that helping other people is the same as helping oneself.

However, can such a concept really function in a capitalist society? One good example of someone who used this idea and made it work is none other than Henry Ford (1863–1947), the “king of the automobile industry.” A typical capitalist of his age, Ford recognized that pure self-interest in automobile production would involve hiring labor as cheaply as possible and selling the products as expensively as possible. However, despite this business ethic common at the time, he went one step further and realized that everyone—from worker to customer to society—could profit if he paid workers high enough wages so they themselves could afford to buy automobiles, at the same time keeping the costs of the cars down through mass production.

Japan also has two examples of modern business people who consciously tried to improve the lives of others and in the process became wealthy themselves. The first is Tadao Yoshida (1908–96), the founder of YKK, well known for the production of fasteners and zippers. He was famous in industry circles as a diligent and thrifty businessman, and earned a reputation for directing most of his profits toward making innovations in the design of his products and simultaneously making his products more affordable. He called this flow of capital “the circulation of good works” and made the commitment to quality and affordability a fundamental company policy. Eventually, his company became the leading zipper manufacturer, with a worldwide reputation. Yoshida also advocated a workers’ stockholding system within his company, which is why his company’s stocks are not listed on the stock exchange even today.

The other example is Takayoshi Shinjo, the president of Fuji Daisu, a machine tool company, and the head of the Association Promoting the Application of Buddhist Sutras for Business Management. His Buddhist economics is reflected in an incident that took place some years ago when a large steel manufacturer, Sanyo Tokushu Seiko (Sanyo Special Steel Co., Ltd.), which used Fuji Daisu as a supplier, was faced with rumors of bankruptcy. All the other suppliers quickly withdrew their support while the banks tried to collect their debts, but Fuji Daisu continued

to do business with Sanyo. Eventually Sanyo was faced with so much bad credit that it had to file for bankruptcy, with the result that Fuji Daisu lost a considerable amount of money. Later, however, Sanyo recovered to reestablish itself as the leading manufacturer and repaid Shinjo's confidence and trust by retaining Fuji Daisu as its sole supplier. Shinjo never expected this reversal of fortunes. He had simply tried his best to serve his customer.

All these examples reveal that Buddhist economics does not have profit as its principal goal. Instead, its primary objective is always serving the community. Profits will come, but they are a by-product rather than the main goal.

The Path of Happiness

Buddhist attitudes toward this-worldly activity and commerce are based on the idea that true happiness involves the integration of both spiritual and material wealth. The original Japanese phrase for economics "*keikoku saimin*" (later shortened to "*keizai*") meant to govern the country and to make the lives of the people secure and happy. However, with the present neglect of a spiritual side, it is difficult to say that the Japanese are truly happy, even though they have exceeded all expectations in their post-war reemergence as an economic power. Combining Buddhist, or spiritual, dimensions with material comfort must become a priority if people are to have a balanced approach in their lives, in which spiritual happiness is as

important as material happiness.

The Buddha became a spiritual seeker because he was concerned with how to be free from suffering. In that he tried to deliver people from suffering and give them happiness, his path might well be called "the path of happiness." Although he emphasized the need for a minimum level of material wealth to sustain oneself, the goal itself is a form of happiness that is entirely unconnected to how much wealth one has. All too often, capitalism has overlooked the goal of happiness in favor of competition for competition's sake.

If we use the following formula to understand happiness, we can see the difference in the Western and Eastern approaches.

$$\text{Happiness} = \frac{\text{Wealth}}{\text{Desire}}$$

In the West, the general orientation has been to attain happiness by increasing wealth so that one can get *more* of what one desires. In contrast, Buddhism emphasizes the happiness that comes from being detached from desires, i.e., happiness is increased by *reducing* our desires.

Western civilization has been dominated by the Cartesian "I think, therefore I am" philosophy of self-autonomy. From this perspective it is quite natural that the ego automatically fulfills its desires by an increase in

wealth. But the Buddhist philosophy of "non-self" points to the undeniable reality that a given "self" cannot live independently but only in relation to other people. Both physically and psychologically, humans are dependent on other human beings as well as on the natural environment (sunshine and water, for example).

When we recognize that our lives are dependent on other beings and that our lives are interconnected with those of all beings, thoughts of gratitude toward other people and the earth will naturally arise. This gratitude toward the earth can be coupled with a certain regret that we have not always recognized this interconnectedness. For most of us ordinary people, even though we know that our self-centered desires conflict with the fact of being interconnected with others, we still have all sorts of desires, such as a longing for certain foods or wanting our train to come on time. Surely it is not that we have to do away with our desires altogether, but rather that we must attune them to the natural rhythms of the earth. In fact, to live necessarily involves the taking of life of other beings. We cannot help that, but we can limit how many lives we take and to what extent we allow our desires to be satisfied. What is clear is that our desires must be kept within the limits of the earth's resources, because our present industrial society has violently abused those limits and the earth is imperiled because of this. In the final analysis, if the earth is further ravaged, the outlook for humans is very bleak indeed.

These two principles of gratitude toward other beings

and a sense of regret about being unable to live without harming others are crucial factors to recognize in Buddhist economics. One businessman who tried to operate his business along the lines of these two principles was Yehan Numata (1897–1994), the founder of Mitsutoyo Corporation, the world-famous precision-machinery manufacturer, and father of Toshihide Numata, the present chairman. At this company, a ceremony to express gratitude to all beings (especially one's ancestors) is conducted every month. Numata, a key figure of the Bukkyo Dendo Kyokai (Society for the Promotion of Buddhism), also funded many projects to promote Buddhism, such as producing the now-classic book on Buddhism, *The Teachings of the Buddha*, and placing it in hotel rooms in Japan and in many other countries. This "Buddhist Bible" includes the essence of major Mahayana Buddhist scriptures such as the Lotus Sutra, and has served as an introduction to Buddhism for many people.

One person who was deeply influenced by this book was Shotaro Iwakiri (1893–1985), the head of Miyazaki Kotsu. The Buddhist idea that one's work should be for the benefit of others led Iwakiri to promote the city of Miyazaki in Kyushu—which, until the recent Japanese trend to vacation abroad, was a major domestic tourist destination—as an early "eco-tourist" site. In an effort to stimulate the local economy, he worked tirelessly to promote economic development that would be of benefit to

residents while protecting the environment. He is a good example of someone who tried to balance gratitude for a beautiful natural environment (in this case, that of Miyazaki) with an economics that causes as little damage as possible. The two principles of gratitude and regret are the keys to becoming a successful business leader. However well one is able to put together a balance sheet, without these principles it is hard to be considered a true leader.

In conclusion, it can be said that our present society is an accumulation of self-centered desires that go against the natural grain of the universe. We must regret all the harm we have inflicted on the earth and be grateful that we still have the opportunity to live on it. It is from this starting point that a new Buddhist economics—one not based on industrial societies—must emerge in order that we may realize an economics of happiness.