



## ***The 3<sup>rd</sup> World Conference on Buddhism and Science (WCBS)***

Buddhism and Sustainable Development:  
The Science of Sufficing and Moderate Living

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May It Please Your Royal Highness,

Distinguished Speakers,

Honorable Guests,

Ladies and Gentlemen,

It is indeed my most humble honor to have been invited to be in the presence of Your Royal Highness to deliver a keynote address at this very august gathering of the Third World Conference on Buddhism and Science this morning.

It has been long known and believed both amongst the Buddhist population and Buddhist theologians that Buddhism and Lord Buddha's teaching can be regarded as a science of human living. Indeed, it is not only scientific because Lord Buddha suggests that his teaching requires proving before believing by any individuals but, as series of this august conferences have illustrated and will keep illustrating, the Buddhist teaching is so inter-related and so intertwined with branches of both natural and social science. Understanding the basic rationale of Buddhism

enables one to understand the basics of many scientific explanations. The understanding of the basic of Buddhist teaching leads to the better understanding of many social science theories both in politics and in economics. And the understanding of both Buddhism and science is complementary in order to enable any individual to live a full and meaningful human life.

My talk today will touch upon this inter-relation between Buddhism and some of the recent global economic developments which are increasingly dictating the economic direction of the world right now and in the next decade or so. The human race can indeed be better or worse off, aggravated or ameliorated as the results of these economic trends and developments. However, the understanding of Buddhist teaching can help redirect these trends and developments for the benefit of the humankind as a whole.

Your Royal Highness,

Honorable Guests,

Ladies and gentlemen,

Since the end of the cold war and the collapse of the Berlin wall, and since the last two decades of the economic miracles of China, which used to be the world largest anti-capitalist economy of the post world war era, I do not believe anyone could deny the overriding influence of a capital market economy and its impacts on every economy of the world. No less, I also believe that the world of market economy has the great potential to be equally beneficial as much as damaging to the well-being of the humankind. It all depends on how the humankind chooses to embrace the market economy. It all depends on whether the humankind will make a choice so that the market economy will be our tools for our benefits or to let it dictate our destiny beyond control.

To me, the answer lies within the perimeter of our Lord Buddha's teaching.

The last two major economic crises, the Asian financial crisis of 1997, the so-called Tom Yum Kung crisis and the latest sub-prime crisis of 2008, or the so-called Hamburger crisis, some ten years apart, are the two very important illustrations of the role of a capital market economy, its cyclical benefits and its backfiring devastating outturn. In addition, during the decade between these two crises, we also saw a number of other economic and financial disturbances in

different parts of the world such as the Long Term Capital Management in Russia in 1998, the Latin American financial crisis in 1999, the Dot-Com crash in 2000, the Financial Fraud and the Enron saga in 2001, the Argentinian financial problem in 2001-2002. And as the sub-prime effects were spreading across the Atlantic, we witnessed the latest in the series whereby the financial system of Iceland, a country with a mere population of a little over 300,000, crashed.

What happened? Economic and financial experts from different schools may spend days if not weeks explaining, arguing, agreeing and disagreeing over and over without conclusion. But I believe that, in a nutshell, these crises and economic turbulences all shared some common root causes. They are all to do with the flow of capital either at a wrong time, to the wrong place, or to the wrong people. Or in the worst case scenario, it is the accumulation and combination of capital flows to the wrong people, the wrong place and at the wrong time, altogether.

It is wrong, not necessarily because it is illegal. It is wrong not necessarily because it is forbidden. In most cases, it is wrong because one has a choice... a choice to do it in a number of different ways but has chosen to do it in a certain particular way that causes the problem. In a free market economy, it is often all about a variety of choices and how to exercise one's choice. These choices are made sometimes with rationale, but sometimes without, sometimes with greed, sometimes with prejudice, sometimes with love or hatred, like or dislike.

These financial crises that we have faced now and again are certainly not computer generated. They are indeed human creation. They are outcomes of people who had choices and decided to make their choices that, knowingly or unknowingly, led to these crises. They are outcomes of those who have made the choice beyond sufficing, the choice beyond reasonableness and the choice without farsighted immunity.

Just as in a market economy, life and how we make choices with our life dictates what is right and what is wrong. It is not right or wrong because it is illegal or forbidden. But it is right or wrong because it will either lead our life into suffering or lasting happiness. The teaching of Lord Buddha on leading life along the middle path (Machima patipata) is therefore a teaching on making a choice in life. The practice of the middle path consists of eight deeds of righteousness. They are the righteousness in perception, thought, speech, work, earning the living, diligence, conscience, and determination (or □□□□□□□□ □□□□□ or □□□□ 8) Simply put, this is

the teaching of the science of making a choice in life for a sufficing and moderate living, the science of learning to make the right choice and observe the distinction between what choice is right and what choice is wrong. That distinction and such a choice can be made because by following these principles, one is kept conscious to remain far from unbounded desires at all time. These are the guiding principles toward learning how to make a choice that will produce the outcome beneficial to life, to last and to sustain.

In 1997, cheap loans and the desire to gain maximization of profit from the inflow of capital led to excessive flow of capital. The capital flow was chosen to dump into the least regulated part of the economy in order to reap the maximum return. Desire more than reasonableness dictated their choice. Greed rather than moderation dictated their action. When the choice is made without those guiding principles of righteousness, one inevitably goes beyond the middle path, beyond sufficing, beyond moderation and eventually bursting the bubbles. Sustainability disappears.

In the US, choices were made to provide loans to those who could not repay them. The choices were definitely neither illegal nor forbidden. But the choice meant that the influx of capital flow was going to the wrong people. Many conditions were created so that the choice was made by ignoring reasonableness, in order to reap maximum benefit. Eventually, the practice was pushed beyond limits and the sub-prime crisis quickly developed.

It is interesting enough to note also that whereas the 1997 crisis was faced with numerous recovery measures designed under the Washington Consensus principles to allow the invisible hand of the market economy correct itself without government interventions, in the 2008 sub-prime crisis, however, the case was just quite the opposite. By now, when the US was facing the financial crisis of its own, the Washington Consensus became no more a consensus. Post Washington Consensus with the visible hand of the government together with the private sector became the guiding measures to solve the US sub-prime crisis.

Now, there is a call for some financial governance institution. The rationale is to have an institution that keeps an eye on the global financial system to avoid excessive and uncontrollable financial transactions. The institution must oversee the balance between the flow of financial transactions in different countries especially between the developed and developing countries. It

must have a watchful eye on the regulatory arbitrage to avoid and prevent too risky transactions. This happens when people are not conducting illegal transactions but transactions that are based on excessive greed.

Governance is not only a matter of compliance with the law but it is about conducting things with moderation and reasonableness. In other words, any financial governance body will be entrusted with the duty to make sure that the financial system is operated in a moderate way or the middle path to prevent the system from bursting or collapsing.

Making a choice in life also involves our daily decision to spend. Every individual also exercises his or her choice to make expenditures. We can either overspend or underspend, over-invest or under-invest as much as we let our greed and desire drive us. But, on the other hand, we can spend only as much as our rationale, our reasonableness, and our sufficing conscience call upon us to do so, that is to adhere to the middle path as our choice of spending. Spend more when you can reasonably afford to and less when you cannot.

The same thing applies to public and consumers spending in an economy. Public and consumers spending must be encouraged when the economy is stagnant and discouraged when it is overheated. It is more reasonable to encourage more spending than saving to drive the economy when the economy is down and vice versa. Spend when it is reasonable to spend, that is the middle path choice.

Your Royal Highness,

Honorable Guests,

Ladies and gentlemen,

Nowadays, it is just not possible to discuss anything without touching upon the issues of the environment and climate change. Their impacts on our daily life are becoming immeasurable both through natural calamities of greater and more unpredictable scales and through direct manmade disasters.

One of the best known major causes of the climate change or global warming is the excessive emission of the greenhouse gas. Here again, the problem is not the gas itself, which is

mainly the carbon dioxide, but the excess amount of the gas that has been emitted into the air and global atmosphere. Carbon dioxide is mainly emitted through our production process and the senseless exploitation and destruction of our natural resources exacerbate the situation. Natural resources, too, have been far over exploited. We shall certainly need one and a half more of this planet earth if we are to sustain our natural resources at the present exploitation rate.

It is time we learned to live within our limits. We could no longer use up our natural resources 3 times over their sustainable rate.

It is time we all took the middle path in using our natural resources. We could no longer senselessly overexploit our resources and use up our natural energy without sustaining them for the future generations.

It is time we seriously and effectively dealt with the genuine reduction of greenhouse gas emission. We could no longer leave our children to choke and suffocate on the planet earth wrapped with excessive layers of carbon dioxide. Nor could we leave them in a seriously natural catastrophic prone planet where extreme temperature, storm surge, tremor, disappearance of coastal lines and small islands, severe draught and severe inundation are but common and regular occurrences.

It is time we preserved and renewed whatever resources we could on this planet. We could no longer cut trees, burn fossil fuel, pollute our air and water, just to live a life as if we never care for the future.

It is time we turned to follow the Buddhist teaching to live a sufficing and moderate life style through the middle path principles.

Just like the efforts to look for the global financial governance, the world is discussing the global climate change governance mechanism. Under the UN Climate Change Framework Convention and the Kyoto Protocol, the world is discussing mechanisms such as the emission trading whereby the developed countries, restricted with the emission limit, can trade the right for greenhouse gas emission from developing countries. The clean development mechanism will enable developed countries to invest and invent a greenhouse gas reduction project in

developing countries in return for the certified emission reduction which can be used for carbon credit trade.

In addition, the climate change governance will need rethinking of both the production based and consumption based principle in calculating the amount of emission each country has. The production based principle will work against the interest of developing countries where developed countries have transferred their investment and production, leaving developing countries emitting the GH gas in large quantity. This is what is known as the offshoring of greenhouse gas emissions. To strike a more equitable solution, the consumption based approach is being developed. As consumers in developed countries benefit from the production in the developing countries, they must be held responsible also for the emission of the GHG in the production process in the developing countries.

As climate change problems are caused by the excessive use of resources and excessive emission of the GHG, climate change governance, like in the case of financial governance, is not just the case of compliance with the law but about conducting things with moderation, fairness and reasonableness, which is something we are already accustomed to in Buddhist teaching.

Both the global financial crises and the environment and climate change crises are caused by excessiveness in one way or another. They are the outcome of people making a choice which is not based on the middle path, reasonableness and moderation, but desire and greed for maximization of return of benefits.

Your Royal Highness,

Honorable Guests,

Ladies and Gentlemen,

I am so glad that the teaching on the middle path, the root causes of these crises and their possible solution can all be found very comprehensively in His Majesty's philosophy of sufficiency economy. Through His Majesty's continuous 65 years of working hard on the ground to improve the livelihood of the people of this country, through His Majesty's profound understanding of Buddhism and thorough His Majesty's comprehension of the economic science, the sufficiency economy philosophy is the guiding torch to overcome many of these global crises

and to lead all economies be they developing, emerging or developed into the real and practical sustainable development.

Sufficiency economy is a practical way of living toward sustainable development because it deals with 3 basic principles: learning to know when it is sufficing, learning to live by rationale and reasonableness, and learning to live with immunity.

Learning to know when it is sufficing is to know when the need is satisfied. This is how to stop making unnecessary excess while at the same time not to under-spend. One invests and spends in accordance with one's ability to do so without overdoing or underdoing.

Learning to live by rationale and reasonableness is to reason or rationalize before one takes the action. One invests and spends in accordance with one's own ability because one has ensured oneself of and satisfied oneself with a reasonableness test. One is to resist being led by greed and unbounded desire for higher and higher profits.

Learning to live with immunity is to ensure that once one has spent or invested, any unexpected or unanticipated incident in the future can still be adequately covered.

This is a clear example of living one's life based on the Buddhist middle path in real practical term. His Majesty's sufficiency economy philosophy shall be what the world is looking for in a global search to devise the governance that could prevent further economic crises that derive from excess and greed, unreasonableness and the unbounded desire to maximize beneficial returns. His Majesty's sufficiency economy philosophy shall be what the world is looking for in order to come up with the governance to reduce the effects of global climate change. His Majesty's sufficiency economy philosophy is what the world is looking for to make sure that sustainable development will be achieved in a meaningful way for our future generations.

In the recent research findings of the Good Governance for Social Development and Environment Institute or GSEI, it was found that communities that applied His Majesty's sufficiency economy philosophy have not only made themselves a happier community but their everyday life activities have substantially contributed to the mitigation of greenhouse gas emission at a level much higher than the baseline standard. Having made this reference, I am

afraid I need to quickly acknowledge its source. I am grateful for the president of GSEI, who is in fact no other than my other half, Thanpuying Suthawan, for this useful information!

In economic term, the sufficiency economy philosophy can be anti-cyclical. When an economy is in a state of booming, naturally, greed and desire push people to spend more, resulting in more inflationary effects instead of curbing them. When the economy is stagnant, people would instinctively slow down their spending and hence exacerbating the stagnation of the economy. But when sufficiency economy philosophy is applied, people would realize that to continue to live sufficiently and moderately, it would make better sense to reasonably spend a little more when the economy is stagnant and a little less when the economy is overheated. This is because people now know how to resist greed and desire and make expenditures that are sufficing and reasonable instead of being driven by their own greed and desire.

I have no doubt in my mind that the Buddhist middle path is the way to solve many of today's world crises. But the sufficiency economy is the philosophy that has been developed based on both the Buddhist middle path principle and the practical understanding of the modern economy. But ultimately, it is His Majesty's gracious wisdom and knowledge of the sufficiency economy philosophy that will provide any individual, any family, community, society, economy and any nation with the genuine answer to a better happy living condition that is sustainable for the development and the future of mankind.

I am so glad that through His Majesty's sufficiency economy philosophy, we can witness Buddhist teaching at work; we can hope to leave our children and their children with a better economy and environment; an economy that is more humanly sound, and an environment that is more sustainable and safer for every being on this planet earth.

Thank you very much for your attention.