



## Buddhist Ethics in Economic System



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### Abstract

The research was conducted to find out why Buddhist ethics important for the economic system, to know the ethics according to Buddhism and the benefits of Buddhist ethics in the global era of the economic system. The data of the research was collected to identify the texts from the Scriptures of the *Tipitaka/Tripitaka* related to the main problem. All collected data were analyzed and dissected using the theory included structural, hermeneutic, and *paticcasamuppada* functionalism. The theories were used to compile the role of the Buddhist ethics in the economic system, the hope was through the role and implementation of the Buddhist ethics in the future will be a living condition for being happy and welfare. Regarding the household (*micro*) economic system, the Buddhist ethics were used to create a happy and prosperous household life. Thus, the householders were free from poverty with the right livelihood, to use wealth properly, and to develop spiritual virtues. Related to the government/state (*macro*) economy, the Buddhist ethics play an important role in creating happiness to live together in the nation and state. The Buddhist ethics in the economic system offered a middle way system between capitalism and socialism. The Buddhist ethics contributed greatly related to the development of the economic system. It was very relevant in dealing with the current situation, especially, in human character building, developing tolerance, and service culture, social independence building, building, and work ethic enhancing, building an openness spirit, motivation to do better, as an accommodative step facing of the free competition.

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## 1. Introduction

The advancement of science and technology ideally the economy of the Indonesian people makes the society more prosperous, happier, and beneficial to all parties. It is as well as in the harmony of prevailing moral order, in accordance with the [1945 Constitution and Pancasila \(Asshiddiqie: 2004\)](#) as the foundation of the Republic of Indonesia, and in harmony with Buddhist teachings. The reality is still many gaps in the community due to past government policies. It was less pro to the interests of the lower society. The rich people are getting richer, while the poor are getting stuck in the poverty. Some people become restless in living their lives. Due to they have difficulties in fulfilling their minimum daily needs. As a result, there are phenomena of the crime as an impact. It occurs in people's lives. The violations of the moral ethics towards humanity should be upheld by the community. Many people abandon the moral ethics in their lives, such as coercion of willing, vigilantism from some people who claim themselves superior.

The crimes that are occurred generally closely related to the economic problems. It is although not possible that other factors included social inequality, political interests, and other interests occurred in the community. Their behavior is based on ignorance, greed, and is usually closely related to the economic problems. The conditions occur due to the social inequality that is widening in the community and can lead to conflict. Socio-economic inequalities in the community have been long occurred and become the social problems. It is the task of the government and the community together getting out of the condition. Therefore, it is needed a real action that involves various aspects of the community ([Mora, et al.: 2018](#), [Jurgaitis: \(2018\)](#)).

Indonesian societies actually have a truly extraordinary advantage. Indonesia's geographical location on the equator makes Indonesia as an area that is *gemah ripah loh jinawi tata tentrem kerta raharja* (an area that is very fertile, prosperous, orderly, peaceful, welfare, and has everything). All needs for clothing, food, and shelter needs already exist, but in the reality, there are still many disturbances and have not materialized a fully prosperous society yet. The moral deterioration occurs in various aspects of life in the society, such as fraud, corruption, harassment, robbery, etc. Based on some problems above, it is mainly related to ethical issues and economic problems occurring in the current society. The arrangement of the family life to be able to live prosperously (*hitasukkhaya*) becomes an important thing beginning with the fulfillment of the economic sector. Likewise, the arrangement of the nation and state, the leader is tasked with creating prosperity and prosperity for the people. The basic problem, researchers are interested in being able to compile Buddhist ethics in the economic system ([Brata, et al.: 2018](#)).

It is important to know the Buddhist ethics in the economic system. If the ideas and studies in depth related to the conditions or the crime phenomena occurred in the community lately, the solution has not been resolved. It is feared that the situation developed in the community, especially, for Buddhists is not conducive and can occur *ceos* (*the Sunda language means like to extinguish the fire with water*). The development of the attitude of individualism currently is based on greed and low moral ethics will accelerate the collapse of the social order. It is believed that the Buddhist ethics is closely related to economic issues. Thus, they can provide substantial benefits. The researchers have the initial suspicion of the destruction of the world order cannot be separated from greed and human ignorance itself. Therefore, the researchers want to re-express Buddhist ethical values and economic values according to Buddhism and the benefits of the Buddhist ethics in the economic system in the era of the free competition. The present study can be formulated. Firstly, why Buddhist ethics important in the economic system? Secondly, how ethics according to Buddhism? and, thirdly, what benefits of the Buddhist ethics in the economic system in the era of the free competition?

Based on the problem formulation, the present research has two aims. Firstly, the general aim is to examine the importance of the Buddhist ethical values in the economic system. It means that the Buddhist ethical values, and their benefits in the economic system in the era of the free competition. The researchers can contribute ideas to Buddhists, as well as, the reference sources or foundation in living a society, nation, and state. There is a relationship between people who live in accordingly and harmony. The specific aim of the research is as follows. (1) To analyze considerations of the importance of Buddhist ethics in the economic system, (2) to understand, analyze, and describe ethics according to Buddhist teachings, and (3) to understand, analyze and describe the benefits of Buddhist ethics in the economic system in the era of the free competition.

The significance of the research for universities is expected to provide theoretical significance in the development of the science, provide an overview or academic discourse based on the values consists of the texts of the *Tipitaka/Tripitaka* scriptures, especially, those related to Buddhist ethical values and the economic systems who was appointed in the present context. Thus, it is expected to be used as a reference in the knowledge development for the other researchers. The results of the study are able to add the research treasure in the text of the *Tipitaka/Tripitaka* scriptures which have been minimal and lack attention. It is as well as able to be used as a reference for the further research.

The practical significance of the Buddhist ethics research in the economic system can be the basis for acting, especially for Buddhists as an integral part of society and society generally in daily life. The results of the study can be used as a guide in community life, especially, those related to patterns of life-based on Buddhist teachings. Through a good and right understanding of the importance of Buddhist ethical values in the regulation of the economic system, Buddhists particularly and Indonesian society generally can create a happy and prosperous social life. For readers, the research can be used as a guide to understanding the values of the Buddhist teachings related to ethics and economic systems. It is more broadly hoped that the results of the study can be used as a guide in decision making for leaders, entrepreneurs, and the community in carrying out activities in the social-economic field based on the Buddhist teachings.

## 2. Materials and Methods

This research is interpretative qualitative research. The design of the study is to identify the texts of the Holy Scriptures of the *Tipitaka/Tripitaka* and other comments which is appropriate and related to the subject matter in accordance with the title of the research. After obtaining the required data then proceed with compiling according to the parts. The main data sources in the present study are the texts consists of the section of Scriptures of the *Tipitaka/Tripitaka*. Secondary data sources (supporting) included books on ethics, views on economics according to Buddhism, and books on *Pokok-pokok Dasar Agama Buddha, Sejarah Agama Buddha, Kemasyarakatan dalam Agama Buddha, Tipitaka*, and others related to research content. In addition, primary data collection was conducted through interviews with experts in religious texts and *Pandita (priest)*. Then, the data analysis process is conducted with reduction, comparison, and conclusion drawing.

Three main theories are used to analyze and solve the problems, *i.e.*, structural-functional theory, hermeneutic theory, and *paticcasamuppada* theory. *Firstly*, structural-functional theory to solve and find out what changes occur and the dynamics occurred in the social structure of the society/social phenomena. Structural functionalism theory is one of the understandings or perspectives in sociology viewing the society as a system consists of the parts are interconnected one to another. The analogy of the social change in the society is as well as growth in living things (Susilo, 2008: 107). In addition, the one part cannot function without the relationship to the other part. If a change occurs in a system, it will obtain an imbalance and a change in other systems. In an integrated social life system based on the agreement of its members, certain social values have the ability to overcome differences occurred.

The system in the society is seen as a system that is functionally integrated into a balance. It means that the society is a collection of the social systems related to another interdependence. The basic assumption of the functionalism theory is all elements must function or be functional. Therefore, the structural society can function properly. Parson (2006) assumption of the functional structural "AGIL" shows that *adaptation* is a function of the biological subsystems, while goal attainment is a function of the personality subsystem, integration functions of the social subsystems, and latency function of the cultural subsystems. Adaptation is the ability to adapt the environment to its needs. Goal achievement is a system must define and achieve its

main objectives. Integration is as a system regulates the relationship between the parts of its components. Latency (patterns maintenance) is as a system to equip, maintain, and improve, both individual motivation and cultural patterns, which create and sustain motivation.

*Secondly*, the hermeneutic theory is used to get the correct interpretation of the intended texts according to the research objectives. The term hermeneutics is etymologically derived from the Ancient Greek verb *i.e., hermeneuein* means to interpret or predict. The word comes from *hermenia* nouns translated *penafsiran* or *interpretasi* (prediction or interpretation) (Sumaryono, 1999: 23). According to Peirce (2012), semiotics allows one to think about signs, connect with others, and give meaning to what is displayed of the universe. The signs related to objects that resemble it as well as have a causal relationship. The semiotics task is to find coherence and filter out important things. Peirce (2012), wished that the general theory can be applied to all kinds of the signs. To achieve this goal, he needed the new concepts. To complete the concept, he created the new words own creation (Kaelan, 2009: 166).

*Thirdly*, the *paticcasamuppada* theory is used related to the causal conditions interconnected according to Buddhist teachings. The word *paṭiccasamuppāda* comes from two lexicons, namely “*paṭicca*” which means cause or dependence and “*samuppāda*” means emergency. Thus, *paṭiccasamuppāda* means the law whose appearance depends on or arises due to the reason. The general translation of *paṭiccasamuppāda* is a dependent causality law. As a discipline theory that studies several reasons, namely the dependence exists between one to another, *paticcasamuppada* is used at analyzing economic problems. There is a relationship between all activities and human motives in all economic aspects, even on a micro and macro scale related to the attainment of the human welfare and happiness in life. According to Buddhism, it is closely related to human moral ethics. Due to it has a close relationship with Buddhism moral ethics. According to the Buddha, all activities conducted by various humans ultimately must be aimed at the moral development and the inner development. Therefore, the importance of the moral ethics and the development of the individual characters is emphasized. In the *Paticca-samuppada-vibhanga Sutta; Samyutta Nikaya 12.2 (S 2.1)* The Buddha gave a formula of their teachings on the causation dependent law, namely “*Imasmiṃ sati idaṃ hoti, imassuppādā idaṃ uppajjati. Imasmiṃ asati idaṃ na hoti, imassa nirodhā idaṃ nirujjhati*”. Meaning: *When this exists, it exists; with this appearance, it appears. When this does not exist, it does not exist; with this cessation then it disappears.* The three theories are used in the relationship between ethics and the micro-economic system and the macroeconomy or vice versa. The researchers deal with the problems phenomena that occur in people’s lives in the real terms, at the householder level and life as citizens in the life of the nation and state. Regarding the above research design, researchers compiled ethical values according to Buddhist teachings in the economic system as expected in accordance with the main of the research.

### 3. Results and Discussions

Based on the results of the discussion in the present study entitled ‘Buddhist Ethics in the Economic System’. There are three important things, namely Buddhist ethics, economic systems according to Buddhism and the benefits of the Buddhist ethics in the economic system in the era of the global competition. The Buddhist ethics in the *Tipitaka/Tripitaka* can be found in the aspect of the personal formation, caring for others. In the *Dhammapada, Danda Vagga.131*, the Buddha stated:

“One who seeks happiness by hurting others who also yearn for happiness, then that person will not get happiness after his death. People who seek happiness by not hurting others who also crave happiness, then they will get happiness after death”.

In the uncertain situation of change and anxiety, caring for others is needed to create for the harmonious life. There are generally three systems of the moral norms used as a benchmark, namely the norm based on the belief in absolute obligations (*deontological*), the norms based on the purpose of the action (*teleological*), or the norms based on relationships with others (*relational*). The Buddhist moral or ethical concerns goodness. The ethics are also about goodness, which is the ability to judge what is good and what is bad. In religion, ethics is a motivating factor that encourages and underlies ideas and deeds. In Buddhism, morality and ethics are highly emphasized. Moral development is a manifestation of the need for self-development in the process of the human life.

In implementing 'loving' towards all beings, the Buddha taught: "Do not do evil (*papasanakaranam*), do good (*kusalaupasampada*) and purify your heart and mind (*sacittapariyodapanam*)." This is the essence of the Buddha's teachings. In Mahayana's view, a *bodhisattva* has solidarity and caring and loving determination to help the whole being to lead enlightenment. A loving determination to help all beings is what underlies altruistic motivation in helping behavior among Buddhists. The altruistic motivation is based on the appreciation of the human unity with the environment and the universe, included empathy for the suffering of living beings.

In the case of the economic system in the *Tipitaka/Tripitaka* can be found in the aspect of the right livelihood and avoid the wrong livelihoods. The righteous living (*Samma Ajiva*) in the *Sutta Pitaka, Anguttara Nikaya III, 208*, the Buddha declared to their students, that there are five kinds of *micchavaniija* that Buddhists should avoid, namely trading arms, trading living things, trading meat, trading poisons, and trading alcoholic. In term of this, maintaining the work balance, as well as the balance of all the senses, can be compared to tuning the harp, not too tight or too loose (*Anguttara Nikaya III, 373-374*). A person will be able to develop a caring attitude with others if a person has developed a noble attitude.

The four noble states of mind have been taught by the Buddha, namely (1) love (*metta*), (2) compassion (*karuna*), (3) mercy (*mudita*) and (4) equanimity (*upekkha*). These four mental states are also known as *brahma-viharas*. Perfect, noble or noble mental states; or like the inner state of the Brahma or God. These four mental states are stated to be perfect or noble. Due to they are ways of acting and being right and ideal for all living beings (*sattesu samma patipatti*). The four noble mental conditions provide answers to all situations that arise in the social contact. These four sublime mental conditions provide answers to all situations that arise in the social contact. These four sublime mental conditions provide answers to all situations that arise in the social contact, as well as healers of the wounds suffered in the struggle of life. In addition, it also destroys the social barriers, builds a harmonious community, awakens generosity, revives happiness. and encourage caring for others in brotherhood and humanity.

The emphasis on the importance of the Buddhist ethics in the economic system and based on the research results and discussion of the Buddhist ethics in the economic system can be summarized in three ways. *First*, related to the Buddhist ethics in the family's economic system aims to create a happy and prosperous household life. It is necessary to regulate the economic system in the family well and correctly so that the householder lives are free from poverty. A poverty is the greatest suffering for the householders. With this poverty, one cannot fulfill daily needs. Due to they cannot meet these needs, someone will be involved with debt. Being involved in debt, in addition to being criticized by others, it cannot return and will deal with the law. It is involved in the law and unable to resolve it, the person who is involved will be imprisoned. This is a form of poverty which is the household's greatest suffering.

In order to be free from poverty, every individual in the household must have a right life or earn a living. The right livelihood becomes the main character of Buddhist economic principles. The character refers to the middle way, simple life, not excessive. To know and realize wherein happiness meets satisfaction after we answer the need for quality of life or happiness. The principle of the right livelihood as a basis in Buddhist economic system is not detrimental to both self and other beings. It is an important principle that is used as a basic criterion of the human actions in life towards the happiness of life. In consuming wealth adjusted to the middle way, must be balanced not for the fulfillment of craving. The principle of the middle way is contrary to the economics principle in classical economics that maximum consumption will bring maximum satisfaction. In terms of consuming wisely enough leads to happiness. Related to the process of obtaining wealth in the whole process of cause and effect in order to walk in such a way without hurting yourself or other creatures.

The potential for the right livelihood as a basic principle of the economy ensures that wealth leads humans to develop their potential and increase good things. The quality development of life, consider that economic wealth is important, but it is not the ultimate goal. It is only a basis for human development and improvement in the quality of life. The right livelihood is part of the noble eightfold path, related to someone working for a living not without killing, becoming involved in the suffering of other beings (*by selling weapons, poisons, alcohol, or meat*). This is an implementation manifestation of the *second* and *fourth* precepts of the Pancasila Buddhist which is to avoid stealing or taking things that are not theirs and avoid lying. Furthermore, with the assets obtained from the right livelihood, it should be used appropriately and correctly, including the use of offerings.



*Secondly*, related to the Buddhist ethics in the state/government economic system, it becomes a guideline for leaders in economic policymaking. In addition, there is also a need for leadership with the truth. In creating the happiness of life, the people welfare in the nation and state, education and knowledge become very important. Therefore, the state needs a leader (*king/president*) who has morality, prioritizes deliberation and consensus in decision-making together, loves all walks of life, is able to build the welfare of all fields of the society from cities to remote villages and is enjoyed by all walks of life, and able to stop the chaos that occurs in the society of leading the country based on the truth.

In leading the government/kingdom, a leader becomes a figure and a role model for the community. The Buddha exemplified the leadership to the *bhikkhu* as their students. The Buddha is an ideal leader. They preside based on their teachings, which is based on wisdom and love. Sources show that they are in full leadership with democracy. Every rule set by the Buddha has a reason. An example of the Buddha leadership was also seen when resolved the conflicts that occurred in the Sakya and Koliya tribes. The two tribes are almost at war because of fighting over water. The two tribes are separated by the Rohini River. The two tribes usually destined water from the river to irrigate their fields together. During a dry season, the river water decreases and makes crop yields decrease.

The people from the Koliya tribe began stated that the river water was not enough to be divided into two. So that, they would use the river water while the Sakha tribe could not use it. There arose a quarrel, blasphemy, and blasphemy. Then, what happens is the same fight for water. Some people began to commit violence and hit other tribes, therefore, the two tribes eventually had prepared troops to fight and destroy each other.

When the Buddha came, He asked the two leaders of each tribe. The two leaders did not even know why. Investigating, the Buddha asked directly to the workers and then said the cause was because of the water scramble. Respecting His wisdom and love for each person, He asked the king every quarter how much the water cost. It is answered that water prices are almost meaningless. The Buddha asked, "What is the value of your people's lives?" The king replied, "of course the price of life is not worth the price." Then, the Buddha said, "Well then. Is it right that for water that is almost meaningless, you will destroy many lives whose priceless value?" "The end of the story is clear, the two leaders (*kings*) are reconciled because of a wise and gentle Buddha approach in solving a conflict. Here is one example of an ideal leader who did something in the best ways for all. The Buddha led wisely.

In the *Khuddaka Nikāya, Jātaka Pāli V.378* which contains the stories of the Buddha birth told about the *Dasa-Rāja Dhamma*, namely the ten kinds of *dhamma* for a king or leader. A good leader according to the Buddhist teachings should have ten leader's characters. In the Jataka Book, ten characteristics of a leader are stated to be good, namely *dana* (generosity) *silā* (morality) *paricagga* (self-sacrifice) *ajjava* (integrity, sincere, honest) *maddava* (kind, responsible) *tapa* (simple) *akkodha* (sign anger, no hate) *avihimsa* (nonviolence) *khanti* (patience) *avirodha* (not seeking hostility). The ten leader's characters are ethical behaviors that must be owned and developed by a leader. That is the ethical behavior of a leader becomes very important. However, success, progress, and harmony of a nation are not only carried out by its leaders. The people as citizens also have roles in accordance with their fields and behave ethically.

Related to the ideals of achieving social justice, there is a text in the *Tipitaka* that the Buddha explained to the *Brahmana Kutadanta*, that a long time ago there was a king named *Mahavijito*, the King summoned his brahmana spiritual adviser to explain how to perform a great sacrifice for the glory and prosperity for a long time. The king's counselor replied: "The kingdom is in chaos." There are robbers that are rampant in the villages and cities and result in unsafe roads. When it is unlike, the king withdraws taxes, the king will act wrong. When the king argues, will immediately stop the robbers by arresting, fining, binding, and punishing death! But the crime will not disappear well. It is stated, due to unlawful criminals will continue to commit crimes (*Kutadanta Sutta*).

There is a way can be done to stop this mess. Anyone in the kingdom who lives as a breeder and farmer, the king gives them food and seeds. Anyone in the kingdom who lives as a merchant, the king gives them capital. Anyone in the kingdom whose life is a state employee, the king gives them salary and food. They carry out their respective work so that the state's income will increase, the kingdom will be safe and peaceful, the people will be happy and enjoy, they will dance with their children, and they live in a safe. Implementing these things, the government can overcome poverty. Eradicating individual poverty, the society will be free from painful suffering in the world. The government must be able to provide employment to overcome

unemployment due to unemployment will become a cause or the main cause for the community problems. The government must maintain the stability of the price of basic needs for the community. In addition, the government's task is to explore new economic resources. It includes helping the community to hold mass marriages (for poor people). In creating a peace, strengthening the country's position, a leader must strengthen their war force.

The King of Mahavijito accepts and performs what the advisor tells him. Thus, the people live their duties. As a result, the crime goes away. The king's treasuries grew. The kingdom is peaceful and safe. They are happy and enjoy. They dance with their children and they live in a safe. The task is well run by the King of Mahavijita, the people live calm, peaceful, dumb, harmonious, and happy. It is a way in which a leader or king is to stop the chaos in the society. The community happiness needs serious attention especially in terms of the work to meet minimum basic material requirements. Mahavijita performed and fulfills obligations, creates the justice, and social prosperity.

Regarding the noble ideals of the Indonesian people, President of Joko Widodo with *Nava Cita* in carrying out state duties assisted by the ministers is serving the community to prosper. The development of various aspects of life is to get the community better. The infrastructure development, human resources, and others are conducted to free people from chaos. Infrastructure development orientation is good, so that, the change of goods will take place easily and efficiently, saving costs, and energy, therefore, the prices are affordable by the public. The community is able to meet their daily needs well.

The education is a benchmark for the nation progress. Due to the education of the nation will be more advanced. This is a manifestation of the *Nava Cita* was design by the President. The presence of the President to all corners of the country is an example of how much love the leaders to their people, a coupled with various developments in other fields, included attention to all villages in Indonesia. The author agrees that what President Joko Widodo has conducted is the embodiment of the ten leader characters as well as Buddhism.

*Third*, related to the Buddhist ethics as a middle ground, it is necessary to have consistency in the implementation of the five moral disciplines (*Pancasila Buddhist*) of each individual in the family. That is, that everyone's involvement in accordance with his/her profession in carrying out the right livelihood (*samma ajiva*) as a middle ground has a major role in improving a country's economic development in accordance with the Buddhist teachings involving virtue in terms of the sociality, ethics, and morality. Injustice is a major problem in the social life, nation, and state. The Buddha explained in the text of the *Cakkavattisihanada Sutta, Digha Nikaya, 26* included riots, looting, theft, robbery, etc. (*dhassu-khila*), which are caused by poverty, injustice in various matters including the economy cannot be solved by imposing punishment on the perpetrators.

Through the proper wealth management system, a state or government can guarantee prosperity for all its people. The effort is to improve and ensure prosperity for its people, the people who need help to continue their business, should the government/king provide assistance to them. For the community is to work as a farmer, the king should provide granary and food assistance (*ye janapade ussahanti kasi-gorakkhe tesam bhavam raja bija-bhattam anuppadetu*), for those who trade, should be given capital (*...vajijjaya tesam bhavam pabbatam anuppadetu*), while to those who work as officers, they should be given enough salary (*...janapadesu raja-porise tesam bhatta-vettanam pakappetu*). If the works in their field is well done, the prosperity and prosperity can be achieved. The state becomes peaceful without criminality.

Improving the economy of a society aim is to create conditions to improve the quality of life. In this case, every person has a big role in improving the economic development of a country. The society role in the economy concerns all professional activities. The community involvement in carrying out their right living (*samma ajiva*) involves virtue in terms of the sociality, ethics, and morality.

The leader in conducting their business/economy is as a way to lead to happiness, as well as liberation and overcoming suffering in life. Working someone gets the material. That is in itself, means to support happiness. Wealth will bring happiness and bring satisfaction. It supports the achievement of a meaningful life. A wealth is not merely material wealth, wealth can be used for (*social function funds*) goodness for many people who bring happiness.

In accordance with the *carvaka's* thought, which is in the modern era, there is now a capitalist economic system. The capitalist economic system is influenced by the spirit getting as much profit as possible with limited capital. This capitalist economic system is supported by the freedom values to meet their needs. The

capitalism system recognizes that human freedom cannot be free but is limited by the others freedom. The freedom is part of teaching that applies universally to the capitalist society. There is a free competition which results in the high competition among each other in order not to be eliminated from the free market. The capitalist economic system tends to encourage every individual to think opportunistically and is less concerned about others in meeting these economic needs. Some trends in the capitalist economic system, namely the freedom of existence are to own property individually, the existence of economic freedom and free competition and the emergence of socio-economic inequalities of the society.

The socialist economic system is an economic system wherein all economic activities are planned, implemented, and supervised by the government centrally. It is the preparation stage for the communism. The factors encourage the development of the economic system of socialism included the development of an industrial revolution; the emergence of the bourgeoisie (*employer*) and the proletariat (*workers*), the existence of the new ideas that are more educated and more rational towards human life and society, as well as the demands of the democracy enactment from the results of the French Revolution. The characteristic of the socialist economy is to prioritize togetherness (*collectivism*). The society is considered the only social reality, while individuals are mere fiction. In the socialist economic system, there is no recognition of personal rights (*individuals*). In the socialist economic system, all focus on the government role. The role of the government is very strong, acting actively from planning, implementing, and monitoring. The means of production and economic policy are all governed by the state. There is no personal freedom and human traits are determined by the production pattern in the hope of the collectivism generating awareness and individualism awareness. In the life of the ethic householders aim to achieve a state of happiness or enjoyment, while in the life of the nation and state ethics are used to build justice and the people welfare in the life of the nation and state. The Buddhist ethics offers a middle way system between the capitalist system and the socialist system.

Regarding the Buddhist ethics as a system can be summarized. *First*, the fundamentals of the Buddhist ethics begin from being ashamed of doing evil (*hiri*) and fearing the consequences of evil committed (*ottapa*). This is applied in the rules of householder/family moral discipline (*Pancasila Buddhist*), increasing even higher in the implementation of *Samanera* moral discipline (*Dasa Sila*), and moral discipline of *Bhikkhu/Bhikkhuni* (*Patimokkha Sila*). *Second*, the Buddhist ethics serves as a guide for the householders, moral guidelines in social life, and moral guidelines in the life of the Indonesian nation and state. *Third*, the ethics implementation is applied in the involvement of the social care of the community, as practiced by Buddhist religious institutions, included Walubi, Kasi, the Indonesian Buddhist Tzu Chi Foundation, and other Buddhist assemblies. The ethics also plays an important role in the development of the social attitudes.

The benefits of the Buddhist ethics in the economic system in the era of the free competition based on Buddhism, that the Buddhist ethics are badly needed, are very useful, and make a great contribution, related to the development of the microeconomic system (*householders*) and macro (*government*) based on Buddhism and various aspects of human life. The Buddhist ethics is particularly relevant in dealing with current situations and conditions, especially in building the human character, developing tolerance, and service culture, motivation to do good, building, and enhancing work ethic, building a spirit of openness, building the social independence, and accommodating the free competition.

The moral ethics is an embodiment of the personal development needs of every individual human being who is always in the process. The Buddha emphasizes to uphold morality or practice the precepts, living in a moral state. "Be an island for yourself." This is independent morality or life is our own can critically decide which is good and what is right, which we can do through the awareness contained within us. Therefore, the Buddhist ethics have a role in creating harmony in the order of the human life together in a country. Five moral disciplines become the benchmark action for householders in building family harmony related to the life of society, nation, and state. The implementation consistency of five moral disciplines is important, due to any progress in the nation and state begins with the life of each householder.

#### 4. Conclusion

Based on the analysis of Buddhist ethics research in the economic system can be drawn several conclusions as follows. *First*, the Buddhist ethics become important in the economic system due to Buddhism ethics fosters positive direction in the family economic system (*micro*) included the way to overcome poverty,



create happiness in the household life, cultivate the right livelihood, be able to utilize wealth well and properly including for the show. In the national and macroeconomic system (*macro*), Buddhist ethics function and lead to the creation of the human happiness, the creation of the social justice, the social welfare through the right role of education. Therefore, it is necessary to have a leader who leads wisely/truthfully and is able to stop the chaos happening in the society. The Buddhist ethics does not bring disaster, either perpetrators or users of the economic system. It carries out prudence and alertness to the material function in its use, protecting the various problems that would be overwhelming, both perpetrators and users, goods and services. The Buddhist ethics offers a solution to the middle path system between the capitalist system and the socialist system.

*Second*, the ethical system according to Buddhism starts from very simple basic, increases higher, then increases higher morally. In practice, it starts with *hiri* and *ottapa* (shame to do evil and fear of the consequences of the evil committed), increasing to a higher level namely the implementation of the five moral exercises (Buddhist Pancasila) for ordinary householders, increasing to the implementation of the ten precepts (*Dasa sila*) for the *samanera/samaneri* (prospective *bhikkhu/bhikkhuni*), then the highest in the precepts for *bhikkhu/ bhikkhuni* (*Patimokkha Sila*). The ethics serve as a moral guide for householders in improving the quality of life, moral guidelines in community life, guidelines for leaders in the life of the nation and state. The ethics are implemented in right mind (*samma sankhappa*), the right speech (*samma vayama*) and the right action (*samma kammanta*) contained in the *ariya atthangika magga* (eight elements), which cannot be separated from right understanding (*samma ditthi*). In the implementation is for the virtues of the emerging democracy. That is, everyone has the same rights and is not distinguished, starting from practicing giving (*danapunna*), increasing practicing the precepts, and practicing meditation. The benefits obtained are the creation of harmony and happiness.

*Third*, the ethical benefits in the economic system in the era of the free competition are to provide direction of life in developing of the human character, the development of tolerance and the service culture, increased work ethic, motivation to do good, the development of a spirit of openness, and building social independence. Facing the free competition is conducted wisely with four strategies namely *utthana-sampada*, *arakkha-sampada*, *kalyana-mitta*, and *samajivi-kata*. The benefits of ethics to maintain and develop multidimensional business/activities as an *anicca* application (*change*) in accordance with its era, avoid two extreme things and take a middle ground, such as not adjusting the strings too loose resulting in loss of sound and too tight which causes breaking and not ringing. However, adjusting the medium strings makes it pleasant to hear the sound. Likewise, avoiding extreme life is for torturing yourself and living by a spree.


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