

# The Theory and Practice Integration of Buddhist Economic Thought with Modern Economics—Based on Several Traceable Cases

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**Abstract:** Buddhist economic principles can integrate with modern economics in theory and practice. It's core ideas include compassion for all beings, the Middle Way, equality among sentient beings, sustainable development and so on. This paper which is based on Buddhist economic thought constructed a framework through systematic analysis of Buddhist economic thought's theoretical core and its alignment with modern economics. Its practical validation which conducted through some case studies demonstrated its effectiveness. This research demonstrated that the Buddhist economic thought supplement four critical limitations in modern economics. Firstly, it revised modern economics' fundamental cognition. Secondly, the value orientation of welfare priority integrates the development model of growth supremacy. Thirdly, the symbiotic development model of circular economy transcends the modern economic competition and opposition. Fourthly, the concept of inclusive and balanced development dissolves the opposition between efficiency and fairness in modern economics. This analysis framework provided theoretical foundations for promoting global harmony, protecting ecosystems, narrowing wealth gaps, eliminating consumption distortions, and enhancing business ethics. Practically, the integration of Buddhist economic thought with ESG principles, the adaptability of policy tools to the Middle Way, and the spiritual resonance of community participation are the key factors influencing corporate compassionate operations, regulatory measures, and regional ecological co-construction. The convergence of Buddhist economic thought and modern economics offers theoretical support and actionable solutions for building a new modern economic system featuring "economic-social-ecological-spiritual" quadruple coordination.

**Keywords:** Buddhist economic thought; theory and practice integration; modern economics; middle way regulation

## 1. Introduction

### 1.1. Research Background

Since Adam Smith's "The Wealth of Nations" established its theoretical foundation, modern economics has built upon the "rational economic man" hypothesis to construct an analytical framework of "growth maximization and efficiency optimization," driving global economic output from about \$1.35 trillion in 1960 to about \$112 trillion in 2024. Yet this growth has been accompanied by profound systemic crises: the global

ecological footprint has long surpassed the earth's carrying capacity, extreme weather events have caused economic losses reaching hundreds of billions of dollars, and environmental degradation, wealth disparity, consumer behavior distortion, disease epidemics, and regional conflicts have become increasingly prevalent. These challenges compel us to reflect on humanity's ultimate future direction.

The essence of these dilemmas is the concentrated manifestation of instrumental rationality overriding value rationality, individualism replacing collective responsibility, and materialism obscuring spiritual needs in modern socio-economic systems, which is also related to the theoretical shortcomings of mainstream modern economics. Buddhism, as a thought system with a 2,500-year legacy, contains economic ideas that embody the value core of self-interest and altruism, the behavioral principle of moderation in the Middle Way, the ecological ethics of equality for all beings, and the distribution logic of inclusive sharing, forming a profound theoretical integration with modern ecological economics, welfare economics, and behavioral economics. After Schumacher sharply criticized "modern economics has forgotten humanity" in his book "The Little Is Beautiful", he proposed a Buddhist economic theoretical framework centered on welfare, constrained by morality, and bounded by ecology [1]. In practice, the ecological economy of temples in Southeast Asia and regions such as Zhejiang and Fujian in China has achieved remarkable results, significantly reducing carbon emissions, thereby validating the application value of Buddhist economic thought. Against the backdrop of deepening high-quality development, and common prosperity, it is undoubtedly of contemporary significance to deeply explore the modern theoretical significance and practical value of Buddhist economic thought and to reconstruct the theoretical system of modern economics.

## *1.2. Research Significance*

### *1.2.1. Theoretical Significance*

Firstly, by constructing the interdisciplinary theoretical framework of Buddhist thought and modern economy, we can correct the single assumption of rational economic man, supplement the value dimension and ecological dimension of economics, enrich the theoretical system of global economic governance, and then break through the single narrative logic of western modern economics.

Secondly, by integrating the Buddhist economic thought, behavioral economics, modern western economics and ecology, the paper further reveals the internal mechanism of the Buddhist economic thought and the modern economic theory, expands the scope and methodology of modern economics research, and integrates and deepens the interdisciplinary research.

Finally, it tries to provide multi-angles and research paradigms for the innovation of modern economic theory by constructing the framework of the coordination analysis of the dual norms of economy and society.

### *1.2.2. Practical Value*

At the corporate level, it provides the spiritual foundation and practical framework for ESG systems, guiding businesses to shift from purely economic profit-driven approaches to incorporating social responsibility, thereby enhancing their sustainable competitiveness.

From the policy level, it can provide theoretical references for the government to formulate ecological environment policy, common prosperity policy, social comprehensive management, etc.

At the social level, we should advocate and practice the economic culture and ideas of simplicity, sharing, mutual assistance and friendliness, integrate them into the socialist core values, resist alienation consumption, reduce social anxiety, promote spiritual common prosperity, and enhance national happiness.

At the global level, it can provide a "Middle Way solution" to address global ecological crises, climate anomalies, wealth disparity, and civilizational conflicts, and reach consensus among countries on earnestly practicing the concept of a community with a shared future for mankind.

## *1.3. Literature Review*

Theoretical Foundation Phase: Friedrich Schumacher first systematically proposed the concept of "Buddhist

Economics”, establishing three core principles: “moderate consumption, labor dignity, and ecological harmony” [1]. In 2006, Ji Qun introduced the “Buddhist view of wealth” from multiple perspectives [2]. Li Jing provided a systematic exposition of Buddhism’s “economic ethics” [3]. Thai scholar Venerable P. A. Payutto integrated Buddhism’s “Five Precepts (五戒)” and “Ten Virtues (十善)” into corporate ethics, constructing a theoretical framework for “compassionate business practices” [4].

At the level of ideological organization: Sheng Kai and Zhang Xiaohui elucidated the promoting role of Buddhist thought on ecological civilization. Wei Dedong systematically organized the economic ethics of Buddhism, which include “no stealing, no greed, and compassion for the world”. Fang Litian interpreted the consumption philosophy of “moderation and the Middle Way” from the perspective of Buddhist philosophy. Zhong Yongsheng and Lou Yulie analyzed the economic wisdom of Buddhism and China’s traditional culture. Zhang Yue et al. further systematically explained the influence of Buddhist economic thought on China’s economic ethics. Zhou Zhongxian et al. and others conducted a systematic review of the history, concepts, and practices of contemporary Chinese Buddhist charity [5–15].

At the applied research level: Fu Liping et al. and Song Guijie studied the practical models of ecological economy in Chinese Buddhist temples [16,17]; Zhao Wendan explored the integration path of Buddhist “equality of all beings” thought with ecological protection [18]; Zhong Yongsheng and Venerable P.A. Payutto [4,14] affirmed the significance of Buddhist ethics in curbing consumerism from an economic perspective, but emphasized the need to combine it with market mechanisms.

Reviewing the existing research literature, there are many shortcomings, which also serve as the entry point for this paper: Firstly, at the literature level, there is a lack of systematic research literature on the integration of Buddhist economic thought and economics, with few theoretical achievements from the latest interdisciplinary studies. Secondly, at the theoretical level, the theoretical integration of Buddhist economic thought and modern economics mostly remains at the level of ideological interpretation, with insufficient research on the deep integration of their core theories, and no theoretical foundation has been established yet. Thirdly, at the application level, it has not fully combined the development goals of modernization and the vision of common prosperity, lacking a systematic exploration of the localization practice path of Buddhist economic thought. Fourthly, the quantitative research is scarce. Most studies rely on simple qualitative analysis of single cases or small sample data, lacking systematic case studies and large-sample empirical evidence. Therefore, based on previous research, this paper further explores the above aspects as far as possible, especially focusing on theory and practice integration of the Buddhist economic thought with modern mainstream economics.

## **2. The Integration of Buddhist Economic Thought with Modern Economics Theory**

### *2.1. The Revising of Modern Economics’ Fundamental Cognition*

Modern economics paradigm is built upon the assumption of “rational economic man”. The paradigm prioritizes the maximization of individual economic interests, but overlooks other social attributes of people. In contrast, Buddhist economic thought advocates for the “ethical economic man” framework which rooted in its holistic view of life and grounded in the ideas of “dependent origination and emptiness” and “equality of all beings”. This framework corrects the one-sided human nature assumptions in modern economics. Through the integration of Buddhist human nature perspectives, modern economics can develop a whole analytical framework explaining and guiding economic behavior of interest-driven motivation, ethical constraints, and environmental relationships.

With the Buddhism human nature cognition, it deconstructs economics’ assumption of rational individuals by pursuing self-interest through the wisdom of “non-self” which means that all phenomena arise from causes and conditions, and the market participants are social entities shaped by such inter-dependencies. The market behaviors of individual are not merely individual interests exchanges but rather the two-way flows of mutual supports within a socioeconomic network. This perspective corrects modern economics’ overemphasis on individual autonomy, incorporating interpersonal relationships and responsibilities into economic actions. It explains real-world behaviors like mutual aid and charitable donations that transcend pure self-interest.

About the objective functions of economics, Buddhism's economic philosophy of contentment and non self-interest replenish the only focus on the profit maximization in modern economics. In the book of "The Little Is Beautiful", Schumacher pointed out that the essence of Buddhist economics is in "attaining human fulfillment rather than merely producing more goods". This perspective does not abandon the pursuit of economic benefits and economic growth, but rather restrict economic activities to the principle of "right livelihood" (legitimate means of subsistence without harming all beings), satisfying healthy and moderate consumption needs. Buddhist economic thought achieves a multifaceted objective which includes material abundance, spiritual peace, and ecological harmony by rejecting such harmful production activities as illegal or polluting industries that endanger physical and mental health.

In terms of risk perception and avoiding, Buddhism's profound wisdom of 'impermanence in all phenomena' (诸行无常) transcends the rigid understanding of uncertainty in modern economics. While modern finance theoretically utilizes risk pricing models to quantitatively analysis uncertainty, it often fails to effectively capture and respond to such systemic risks as financial crises in the real world. Based on the Buddhist philosophy of 'impermanence and non-self', it advocates risk-sharing mechanisms through 'alms giving' (wealth redistribution) and 'abstinence from greed' (curbing speculation), offering actionable insights for financial deleveraging and speculative risk prevention.

## 2.2. The Integration to Modern Economics Theory Framework

On the basis of the supplementing and correcting modern economics' assumption, objective function and risk cognition, we tries to construct a trinity theoretical analysis framework from three dimensions including production, distribution and consumption, thus can achieve the structural improvement of modern economics.

- At production level, the positive production and sustainable product and spiritual supply are integrated in economics. Although modern economics prioritizes the productivity efficiency boosting under the support of technology but it may encounter the risk of falling into the trap of "growth without development". With the Buddhist economic thought embedding ethical standards into the production function, it advocates that production activities must insist on the principles of "non-harm, non-greed, and non-deception". Historically, under the core constraint of "profits must be used for religious charity and livelihood security", medieval monastic economies had formed a closed-loop "production-reward" ecosystem by operating the "Endless Treasury" fund engaging in lending and grain processing. The contemporary enlightenment meaning of this model is in encouraging modern enterprises to transform social responsibility from an "external burden" into an "internal constraint". For instance, the monastic economy's practice of "monastery-run industries supporting communities" not only ensures the sustainability of economic activities but also prevents capital alienation.

- At the distribution dimension, the principles of "equal and fair distribution" and justice are embodied in economics. Although the modern economics achieves distribution relying on market mechanisms and taxation systems, yet it still struggles to solve the structural problem of widening wealth disparity in the society. Buddhist economic thought can offer diversified approaches with the concepts of "alms giving" and "equitable distribution". First, the voluntary redistribution of people can motivate high-income groups to share wealth through such forms as "voluntary donations" and "merit-based rewards" in order to form a grassroots charity system, such as the "Futian Yuan" (Blessed Field Courtyard) in medieval temples that benefited the poor group. Second, an institutional redistribution can establish a system that mandates mandatory returns of excess wealth, and complement with the modern progressive taxation. Third, relational redistribution rooted in the Buddhist principle of "dependent existence among all beings" is exemplified by corporate internal shared compensation systems. For example, some modern enterprises have adopted a "profit-sharing system" which is essentially a modern adaptation of Buddhism's "shared karma and coexistence" philosophy.

- At the consumption level, the concepts of "satisfaction and moderation" and rational demand are put forward. Modern economics often leads to excessive consumption and resource waste because its core development logic is the pattern of consumption-driven growth. On the contrary, the Buddhism's philosophy of "contentment" advocates a consumption ideal that emphasizes "minimizing needs while maximizing satisfaction". Its practical value can be summarized in three key levels. At the individual level, it guides

people's consumption to shift from the "showy and symbolic" consumption to practical and spiritual consumption, thus reducing the dependence on material goods. At the societal level, it curbs irrational consumption through the concept of "minimalist living", thus alleviating pressure on resources and the environment. At the policy level, it can provide cultural support for "green consumption" and "circular economy". For example, the "minimalism consumption movement" promoted by some groups has reduced the per capita resource consumption. The movement proves the positive correlation between moderate consumption and quality of life.

### 3. Historical Practice and Contemporary Cases for Empirical Study on the Localization of Buddhist Economic Thought

#### 3.1. Historical Evidence: The Operational Logic of Medieval Monastic Economy and Its Enlightenment

The temple economy in China during the medieval period (from the Wei-Jin to the Tang-Song dynasties) was a typical practice of the localization of Buddhist economic thought. It constructed an economic system integrating "spiritual products—material production—social services", and its operational logic remains of significant reference value for contemporary times [19,20].

In the level of spiritual offerings, the Buddhist temples must remain socially engaged although they uphold the core tenet of "abstaining from evil, practicing virtue, and purifying the mind (诸恶莫作, 众善奉行, 自净其意)". The spiritual needs of the public are diverse. Just as the saying goes "No one visits the Three Jewels Temple without purpose." Some people seek blessings, others pursue liberation from afflictions and find spiritual solace or joy, and so on. Among them there are also a group of people who serve the community and uphold sacred teachings. When all of these needs are met, such as out of gratitude, commitment, future blessings, peace, or repentance, they voluntarily contribute to the temple through offerings of land, gold, silver, food, and medicine. This exchange can create a virtuous cycle of spiritual and material fulfillment. The brilliance of this model is in its alignment with emotional needs and social identity cognition with avoiding commercialization and societal criticism while enabling voluntary wealth accumulation to fund public services for the temple.

In organizational management level, some large monasteries adopted corporate-style governance structures to better serve the public. The abbot lead the monastic community which is known as monks in harmony, while the supervisor majored in finances and operations. The guest steward handles external relations and the caretaker manages logistics. The monastic community formed a clearly defined division of responsibilities by the leadership of the above arrangement. The Endless Treasury fund ensured sustainable capital flows. The principal funds supported economic activities like production, while surplus funds were allocated to charitable relief, temple renovations and monastic living. This model essentially represented the earliest form of charitable trusts. Such an wonderful organizational form that harmonized profit and public welfare provided a historical blueprint for contemporary social enterprises.

In terms of social functions level, the temple economy served as a quasi-public sector. It provided loan services to commoners through pawnshops (Zhi Ku) and sheltered the poor, disabled, and elderly through institutions like Futianyuan and Beitianyuan. Thus it can filled the void left by ancient government services. This integration of economic activities and social services embodied the core Buddhist economic philosophy of "self-benefit and benefiting others, self-awareness and awakening others". It still offers historical insights for the contemporary economic activities to "return to its social roots".

#### 3.2. Contemporary Empirical Evidence

It should be pointed out that in terms of secularized economic wisdom, Buddhist economic thought has much in common with Taoism and Confucianism. With the long term development of economy and society, these ancient wisdom have been subtly integrated into the daily life of individuals, enterprises' management and control, and social governance on the secular level. This paper only takes the Buddhist economic thought as the representative and the main line to explain its practical application in economic life. In fact, it also integrates the

other two classic economic thoughts. The discussion here is just to play a role in “attracting the jade”.

### 3.2.1. Enterprise Level: Practice Exploration of Ethical Enterprise

Founded in 2009, Fengjin Group is a comprehensive conglomerate integrating real estate development, biopharmaceuticals, beauty technology, architectural decoration, and modern services. With total assets exceeding 3 billion yuan and a workforce of over 2200 employees, the group adheres to its business philosophy of “Inheriting Sage Culture, Building a Harmonious Society”. While pursuing its own growth, it actively engages in social public welfare initiatives to fulfill corporate social responsibility. Through its platform “Fengjin Love Online”, the group has long conducted charitable activities including educational assistance, disability support, elderly care, poverty relief, critical illness aid, and the Cataract Love Vision Restoration Program. These efforts have cumulatively invested over 100 million yuan in donations and provided assistance to more than 100,000 vulnerable groups. Since 2016, the group has established six Fengjin Love Restaurants and Supermarkets across several districts to offer free daily lunches to the community—particularly elderly individuals living alone, sanitation workers, impoverished families, and people with disabilities. To date, these initiatives have provided free meals to nearly 7 million people and distributed over 500,000 pieces of clothing.

To promote and preserve outstanding traditional culture, the group established Fengjin Academy in 2012. Focusing on traditional culture, family values, and professional ethics, the academy has organized over 700 free public lectures covering dining, accommodation, and education. It has invited renowned scholars and professors to deliver lectures, benefiting more than 100,000 people and contributing to building happy families and a harmonious society. The academy has received numerous honors, including National Civilized Unit, Shandong Charity Award (Charity Model), Shandong Volunteer Service “Four 100” Advanced Typical Best Volunteer Service Project, Shandong Key Education Research Base for Traditional Culture for Youth, Model Unit for Professional Ethics Construction, Advanced Unit for Social Forces Participating in Public Cultural Services, Municipal Government Charity Award, Courageous Deeds Contribution Award, and Real Estate Industry Social Contribution Award. (Source: Company website)

### 3.2.2. Regional Level: Integration of Harmony Culture and Rural Revitalization

- Guided by the philosophy of “dependent origination and symbiosis”, Fotang Village in Dali has developed a model integrating cultural preservation, economic growth, and community collaboration [21]. The village attracts tourists through temple restoration and cultural tourism events, with proceeds distributed to villagers, invested in ecological conservation, and used for cultural heritage. It encourages villagers to engage in “righteous livelihoods” like handicrafts and vegetarian food production, ensuring fair trade practices and rejecting price fraud. A three level communication mechanism connects villagers, tourists, and historical sites. It fostered emotional bonds through the integration of production, daily life, ecology, and folk traditions. Since its launch, the village has obtained significant growth in per capita annual income. Its tourism popularity, visitor numbers, and forest coverage had been greatly improved. The village has achieved harmonious development between economic progress, ecological protection, and cultural preservation.

- Mount Tiantai in Zhejiang, a famous site of tourism, embodies the spirit of harmony and unity of the Chinese nation with historical culture and religion to natural ecology and health. As the birthplace of Chinese harmony and unity culture, Tiantai County is renowned for its Buddhist and Taoist origins, as well as its scenic mountains and waters. Leveraging its unique natural resources and ecological environment, it has achieved integrated development across six industries: primary agriculture and forestry, secondary deep-processing industries, health and wellness services, cultural and creative industries, trade and commerce, and conference and exhibition industries. This has created a cultural highland of harmony and unity with the core values of Chinese civilization, a sacred land of unity between heaven and humanity with the core value of green ecology, and an ecological origin of authentic traditional Chinese medicine and health preservation with the core value of the health industry, as well as a forest health and wellness destination combining agriculture and cultural tourism (Excerpted from the opening report of the research team on “Practical Evidence on Socialism with Chinese Characteristics in Tiantai Mountain’s Harmony Culture and Cultural Tourism Health Industry”).

### 3.2.3. Financial Level: Practice of Charitable Trust and Sharing Finance

Buddhism's "Endless Treasury (无尽藏)" stands as the earliest institutionalized charitable foundation in history, characterized by sustainability, scale, and standardization. Its operational model of "daily donations, accumulating small amounts into large sums, and cyclic relief" has formed a unique system that deeply integrates Buddhist philosophy with charitable practice [22], which remains highly valuable for modern philanthropy. By the end of 2024 [23], China had registered 2,244 charitable trusts with a cumulative registered scale of 8.507 billion yuan. Among the charitable trusts registered from 2016 to 2024, those with scales of 100,000 yuan and 1 million yuan accounted for the highest proportion, totaling over 77%. In 2024 alone, four newly established charitable trusts exceeded 100 million yuan in scale through new registrations or modifications. Notably, 202 charitable trusts focused on education accounted for one-third of all new registrations in 2024. Other prominent areas included elderly care (155 trusts) and poverty alleviation (134 trusts), with rural revitalization receiving 91 trusts. Trusts addressing community development, scientific progress, rare diseases, cognitive impairment in the elderly, and women's issues have also increased, forming a balanced mechanism of "public welfare as priority with moderate returns." This approach adopting a "low-risk+shared returns" model not only realizes the social value of wealth but also meets investors' ethical expectations, providing an innovative path for finance to return to its essential service function (Source: Shanghai Charity Network: "2024 China Charity Trust Development Report" released, 2025.3.5).

### 3.3. Governance Level: The Middle Way Ideology Empowers County Governance

Xinchang County in Zhejiang Province which was recognized as the birthplace of "Jiangdong Buddhism" established a distinctive tradition during the Six Dynasties period. It was emphasized by "the significance of righteousness while balancing practical cultivation". The core philosophy of "Middle Way" which advocates moderation and avoids extremes has permeated governance through cultural tourism at sites like the Great Buddha Temple and local folk traditions. For instance, during the Eastern Jin Dynasty, the monastic economy in Xinchang exemplified a balanced approach of "combining farming with education and aiding society through charity". This model avoided both excessive detachment from society and the distortion of faith for profit, providing a cultural foundation for contemporary county-level "balanced development" [24].

#### 3.3.1. Industrial Regulation: A Middle Way between "Chain Strengthening and Upgrading" and "Ecological Constraints"

Core philosophy—Abandoning the GDP-centered economic development paradigm and the conservative approach of 'prioritizing ecology over production', while embracing Middle Way doctrine of 'right livelihood', to achieve a balance between industrial efficiency and ecological responsibility.

Implementation Measures are as followings [24–31]:

"Moderate Upgrading" of Specialized Industries—Focusing on the two pillar industries of bearings and pharmaceuticals, the initiative enhances quality and efficiency through "digital transformation+cultivation of specialized, refined, distinctive, and innovative enterprises", rather than pursuing blind scale expansion. Since 2024, several provincial-level "hidden champions" have been nurtured, leading to a significant increase in tax revenue from large-scale industries. Meanwhile, the principle of "efficiency as the ultimate metric" has been strictly enforced, resulting in the elimination of over ten inefficient enterprises to prevent disorderly industrial expansion.

Ecological baseline "rigid constraints"—Designated core zones of Tianmu Mountain and Wozhou Lake Ecological Protection Areas prohibit industrial projects; implemented "green manufacturing" standards with 100% clean production coverage in the bearing industry and full substitution of pharmaceutical materials with eco-friendly alternatives.

The cultural-tourism integration with moderate commercialization is leveraging Buddhist cultural heritage and natural landscapes like the Great Buddha Temple and Chuanyan Nineteen Peaks. They develop a "culture+education+ecology" cultural-tourism IP to avoid excessive commercialization. By 2025, the total revenue from

cultural tourism was to reach approximately 5.6 billion yuan, accounting for about 8% of GDP. This approach not only transforms the value of cultural resources but also preserves the public welfare nature of Buddhist sites and ecological scenic areas.

### 3.3.2. Urban-Rural Regulation: The Middle Way of Synergy between “Strengthening Counties and Expanding Authority” and “Empowering Rural Areas”

The core idea of urban-rural regulation is to break the dual opposition between urban and rural areas by drawing on the Buddhist thought of “dependent origination and symbiosis”. Xinchang county not only strengthens the radiation of county through the system of "provincial management of county", but also avoids the “urban siphon” leading to the hollowing of rural areas, and realizes the complementary symbiosis and coordinated development of urban and rural areas.

Practical measures are as followings [24–31]:

- **Balanced resource allocation.** Zhejiang Province implements the “one county, one policy” strategy by allocating most provincial fiscal transfers to rural infrastructure development. Due to the policy, the construction of urban-rural interconnecting highways and full coverage of township-level roads were built. The initiatives of the quality education in small counties and strengthening healthcare in small counties had achieved 100% coverage of county-level medical station. The proportion of children from mountainous areas attending urban high-quality schools has significantly increased, preventing excessive concentration of resources in county seats.

- **Industrial coordination** has established an "order-based agriculture+employment support" mechanism between urban industrial enterprises and rural areas through “two-way empowerment”. For instance, pharmaceutical companies procure medicinal herbs from mountainous regions, while bearing manufacturers set up processing facilities in townships. By 2025, this initiative is projected to increase per capita income for mountain farmers by 12,000 yuan, reduce the urban-rural income gap to 1.76:1, and decrease by 0.32 percentage points compared to 2020 levels.

- **Moderate decentralization of governance authority.** Provincial-level central towns (e.g., Ru’ao Town) are granted partial county-level economic management powers to coordinate rural cultural tourism and industrial development. This approach avoids excessive county-level intervention while preventing township power imbalance, aligning with the principle of balanced authority and responsibility in the 'middle way'.

### 3.3.3. Regulation of Benefit Distribution: A Middle Way between “Efficiency First” and “Fairness as the Bottom Line”

Core philosophy—Embracing the principles of ‘alms giving for the benefit of all’ and ‘non-attachment to wealth’, Xinchang county encourages market entities to create value while narrowing income disparities through secondary and tertiary distribution, thereby preventing extreme inequality and polarization between the rich and the poor.

Practical measures are as followings [24–31]:

- **Dual-track income distribution adjustment**—Implementing tax incentives for high-income groups while providing a three-tiered safety net for low-income groups comprising subsistence allowances, employment support, and charitable aid. In 2024, the unified urban-rural subsistence allowance was raised to 1200 yuan per month, 10% above the provincial average. The Xinchang Charity Fund was established, with corporate donations exceeding 500 million yuan, prioritizing employment assistance for disadvantaged families in mountainous regions and persons with disabilities.

- **“Moderate Guidance” for Corporate Responsibility**—The implementation of a “Corporate Social Responsibility Evaluation System” incorporates charitable donations, employee benefits, and environmental investments into assessments, linking them to tax incentives and project approvals without mandatory allocation. In 2024, the total public welfare donations from enterprises in the county reached 180 million yuan, which not only motivates corporate philanthropy but also avoids the moral coercion of "forced donations."

- **“Universal and Equal Access” in Public Services**—Achieving nationwide coverage of public services such as elderly care, healthcare, and education to avoid elitist tendencies. In 2024, the county's pension insurance

participation rate reached 98.5%, with 100% coverage of home-based elderly care services in mountainous areas, reflecting the “Middle Way” concept of “equality for all”.

#### 3.3.4. Effectiveness of Middle Way Regulation

Economic performance has shown steady improvement. By 2025 [24], the county is projected to achieve a GDP of 71.166 billion yuan, representing a 7.1% growth rate and ranking first in the city. Total fiscal revenue will reach 8.710 billion yuan, up 6.3%, while fixed asset investment will hit 23.606 billion yuan, also growing 6.3% to lead the city. Foreign trade exports will total 23.327 billion yuan, accounting for 0.86% of the national total. Retail sales of consumer goods will reach 14.682 billion yuan, up 5.6%. Per capita disposable income for urban and rural residents will rise to 82,929 yuan and 47,188 yuan respectively, with growth rates of 5.3% and 6.0%. Per capita GDP will exceed 150,000 yuan, placing the county among China’s top 100 counties. Significant progress will be made in reducing energy consumption per unit of GDP, achieving high-quality and balanced development.

The urban-rural income gap has been steadily narrowing. The urban-rural income ratio dropped from 2.1:1 in 2020 to 1.76:1 in 2025, lower than the average of 1.83:1 in mountainous counties of Zhejiang Province. All rural collective economic revenues now exceed 350,000 yuan.

High social satisfaction was obtained. By 2025, public satisfaction with both “balanced development” and ecological environment was very high, achieving coordinated development of economy, society, and ecology.

#### 3.3.5. Theoretical Significance and Practical Value of “Middle Way” Governance

The above analysis of Xinchang County's concrete practices in economic, social, cultural, health and wellness, and comprehensive governance demonstrates significant theoretical and practical value.

The contemporary transformation of the Doctrine of the Mean is highlighted. By implementing this balanced philosophy as a regulatory principle integrating economic growth, social development, ecological conservation, and equitable distribution, Xinchang County has resolved the binary opposition between ‘efficiency and fairness’ and ‘development and protection’ in economic development, thereby setting a model for county-level comprehensive governance.

The integration of theory and practice was realized. Under the guidance of the common prosperity goal and the development strategy of Chinese modernization, Xinchang County has applied the concept of moderate development to specific practices such as ecological constraints and balanced urban-rural allocation, embodying the core values of “local empirical evidence” and the unity of knowledge and action.

The enlightenment of modern comprehensive governance is obvious. Economic Ethics Can Serve as a flexible support for County-Level comprehensive regulation. From the practice of Xinchang County, the balanced development perspective of the Middle Way provides wisdom for addressing many governance challenges in modern society.

The Middle Way Regulation Practice in Xinchang County stands as a successful case of deep integration between the Middle Way economic philosophy and modern county-level socio-economic governance. Its core principles lie in: using the “Middle-way” philosophy as value guidance, maintaining “balance between efficiency and ecology” in industrial development, pursuing “empowerment and collaborative coexistence” in urban-rural governance, and achieving “efficiency and fairness in benefit distribution”. This approach avoids both the distortion of economic interests caused by pure market logic and excessive administrative intervention in market operations. The key lessons are summarized as follows:

First, by tapping into the ancient socio-economic governance wisdom embedded in local traditional culture, a regulatory system with cultural identity can be established for integrated socio-economic development. Second, adhering to the principles of sustainable, high-quality development and “moderation+equilibrium” helps avoid binary oppositions in governance. Third, by upholding the goal of “harmonious coexistence between humans and nature, and mutual benefits for society and economy”, economic growth, social equity, and ecological conservation can achieve organic unity, providing a model and reference for realizing regional common prosperity.

#### 4. The Enlightenment of Integrating Buddhist Economic Thought with Modern Economics Practice

##### 4.1. Enlightenment to Individual Consumers: From “Serving the Mind with Objects (以物役心)” to “Serving Objects with the Mind (以心役物)”

The study of personal consumption in modern economics only focuses on the current psychological satisfaction, that is, the theory of 'utility'. It belongs to the surface phenomenon which is easy to cause the expansion of selfish desires. People maybe do all the trouble and lost among them in order to satisfy the appetite and deliciousness. Buddhism believes that diet is only to heal the suffering of hunger and the body is only a phantom body which can be satiated and used just as a way for spirit liberation. In today's consumption-driven society, Buddhism's principle of 'contentment without greed' serves as a sobering reminder to consume rationally and consume only when necessary, honoring the ancient wisdom that 'from luxury to frugality is hard, and frugality nurtures virtue'. First, cultivate a 'demand stratification' mindset—distinguishing between essential needs and desires—to minimize non-essential, impulsive, or ostentatious spending. Second, practice 'consumption ethics' by choosing environmentally friendly products from socially responsible brands like Pang Donglai. Third, pursue 'spiritual consumption'—investing in self-enrichment by redirecting spending toward Zen meditation, cultural tourism, and other spiritual pursuits. This helps reconnect with the essence of life—letting the mind guide material pursuits rather than being consumed by them.

##### 4.2. Implications for Enterprise Development: From “Profit Maximization” to “Value Co-Creation”

Enterprises should move beyond profit-driven models and adopt a Buddhist-inspired “value co-creation” framework. First, they must uphold ethical standards by rejecting unethical practices like fraud, environmental pollution, and labor exploitation, while embedding social responsibility into core strategies. Second, they should establish collaborative governance mechanisms to protect stakeholders' rights, including employee stock ownership, supply chain partnerships, and consumer feedback systems. Third, adhering to the principle of “shared success and moderate profits”, excess earnings should be reinvested in technological innovation, ecological conservation, and social initiatives, ultimately achieving a symbiotic win-win scenario of corporate growth, societal progress, and ecological harmony.

##### 4.3. Implications for Economic Governance: Constructing a Three-Dimensional Governance Framework of Ethics, Efficiency and Equity

The modern economic policy often falls into the binary opposition (二元对立) of “efficiency first” or “fairness first”, and the Buddhist economic thought provides the policy idea of “the middle way balance”. In macroeconomic regulation, the principle of “contentment without greed” should be integrated into policy design to curb speculative growth. This includes implementing “deleveraging and ethical constraints” in sectors like real estate and finance, drawing on the “support without lifting” principle from a city's property market regulation to avoid excessive stimulus and risk accumulation. At the industrial policy level, the “rightful destiny principle” should guide industrial upgrading, with policy support for environmental and livelihood-oriented industries while imposing restrictions on highly polluting and speculative sectors. In distribution policy, combining the concepts of “charity” and “equity”, a distribution system combining “tax incentives and charitable rewards” should be refined. Tax breaks should encourage corporate and individual participation in public welfare donations, establishing a multi-tiered distribution framework where “primary distribution emphasizes efficiency, redistribution focuses on fairness, and tertiary distribution prioritizes ethics”.

##### 4.4. Implications for Global Economic Governance: From “Zero-Sum Game” to “Harmonious Coexistence”

The scarcity of resources is the fundamental origin of modern economics. Against the background of escalating global resource depletion, wealth disparity, ecological crises, trade protectionism, and civilizational conflicts, regional conflicts arise incessantly. These conflicts essentially reflect the exploitation of resources, containment of other nations, and the game of interests and competition where one gains at the expense of another. The true wisdom of Buddhism, “equality of all beings (众生平等)” and “dependent origination and

coexistence (缘起共生)”, provides a realistic portrayal of the return to the principles of harmony, mutual assistance, and win-win outcomes in global governance. Firstly, we should continue to uphold and promote “fair trade” by opposing bullying and trade protectionism. Thus we can rebuild a new global trade system which is based on mutual benefit and win-win outcomes. Secondly, international ecological cooperation should be strengthened to jointly address common challenges threatening human survival, such as climate change, resource scarcity, and disease outbreaks. This is drawing on the Buddhist concept of “the unity of form and essence, life and natural community”. Thirdly, we should foster “civilizational exchange and harmonious coexistence (文明共鉴, 和合共处)”, respect the economic ethical traditions of different regions and integrate the economic ideas of ancient civilizations like Buddhism. The world should promote cross-civilization dialogues with 'all mirrors mutual mapping' (众镜相照) and resolve the root causes of regional conflicts with the concept of 'harmony and common prosperity' (和合共荣). All of the civilization can provide a flexible solution to improve global governance beyond the level of single interests, advocate the transformation of the wisdom of each civilization into a global consensus, and inject deep and lasting positive energy into world peace and development [32]. Thus we can build a diverse, inclusive, and shared global economic governance system.

## 5. Conclusions and Future Research Perspectives

History and reality have proved that the teachings and practices of the Buddha are the common spiritual wealth of all mankind, which can bring compassion, peace and blessing to the world full of strife and bitterness. Buddhist economic thought and other Chinese classic economic thought are valuable economic resources with eternal ideological value with its secular economic wisdom. The core of their economic thought value, such as the hypothesis of ethical economic man, the principle of resource allocation, the concept of equal distribution of wealth and the concept of reasonable consumption, can be properly integrated with modern mainstream economics. In essence, it can make up for the value deviation and humanistic deficiency of traditional western mainstream economics from theory to practice, and finally construct an innovative economic system with the balance and unity of efficiency, fairness, ethics and ecology, including humanistic economic thought.

There are many practical cases of localization. For example, many cities have public welfare self-service vegetarian restaurants. Most of the ingredients come from donations from people from all walks of life. The employees are local volunteers and provide free meals for thousands of people every day. Such as, no longer repeat. These empirical evidences show that the secularization practice of Buddhist economic thought is feasible and effective, and can be carried out steadily and creatively. From the past monastery economy in which public welfare and profit coexisted, to the modern corporate ethics in which humanistic and economic values coexisted, as well as the rural economic and cultural revitalization with the integration of Buddhist culture and economy, various public welfare organizations and other vivid cases, it confirms the practical value of the integration of Buddhist economic thought and modern economics. Of course, the reconstruction of modern economics by Buddhist economic thought is a natural integration of the times. It is necessary to avoid the 'religiousization of economics' and the 'dogmatization of Buddhist economic thought', strip away its blind promotion components, and purify the universal economic ethics core; in order to realize the creative transformation and innovative development of Buddhist economic thought to modern economic theory and practice, it is necessary to combine modern economic and social technology, humanities and institutional environment.

From the perspective of future research directions, we can consider several aspects: First, from the perspective of institutional innovation, we can explore how to integrate Buddhist economic thoughts into specific institutional designs such as economy, law, policy and corporate governance, so as to provide institutional solutions for building a more inclusive and sustainable theoretical system of balanced development of economy, society, culture and ecology. The second is to expand the comparative study of cross-civilizations. By comparing the similarities and differences between Buddhist economic thoughts and other ancient civilizations' economic thoughts, the universal economic ethical principles of the integration of classical and modern are abstracted. The third is to carry out quantitative research, such as constructing 'economic and social well-being index', in order to empirically analyze the influence mechanism of Buddhist economic thought on the balanced development of promoting economic growth, improving social equity and ensuring ecological and environmental benefits.

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