

CHAPTER I

INTRODUCTION

1.1 Rationale

Theravada Buddhism is the dominant religion of Thailand. Historically, it has had a profound impact on the nation. Some feel that Buddhism is losing its importance, being replaced by commercialism, materialism, and Western style capitalist economics. As economics takes center stage, the answers once sought in religion are now being sought from economic theory (Rutledge, 1992). Many Thai people cannot or do not want to follow the *sila*, a Pali word referring to the religious guidelines for followers of Buddhism. Instead, they express their religious devotion solely through *tham bun* and *aw bun*, Thai words meaning "to give and receive merit, respectively".

Merit making is a religious activity that is widespread and practiced by the least of followers. Laymen believe that bun affects their rebirth and their current life. By not participating in this age old tradition of merit making, one risks an undesirable rebirth and immediate negative consequences directly affecting one's happiness and mental well-being (Tambiah, 1968). Buddhist temples, also known as wats, are the primary beneficiaries from this form of merit making. In addition, the wats receive funds from the Thai government in the form of subsidized land taxes and direct annual payments. It has been estimated that the people of Thailand donate as much as 10 per cent of their annual income to local wats and other religious related activities, while 15 per cent of the nation's GNP is directed to Buddhism (Wilkinson, 1971).

Temples and their residing monks also elicit additional revenue through various activities. Monks are called on to perform religious rites at private residences with the expectation of receiving monetary offerings in return. Many wats offer religious paraphernalia (joss sticks, candles, and lotus flowers) for a low cost while some more famous wats have entrance fees, mostly charged to tourists. A major source of revenue is land donated to temples. The final destination of revenue, as outlined above, is also not always transparent. Millions of baht in donations finds its way into worthy charities.

However, instances have come to light in which monks have been accused of embezzling millions of baht for personal use. Scandals like this cause problems for religious leaders and followers. While corruption is not the focus of this research, its presence illustrates the need for greater understanding of Thailand's national religion as it relates to the growth of capitalism.

Merit-making activities are performed with at least the partial intention to benefit the community as a whole. Patrons believe that their contributions are in trusted hands that will only use what is necessary, redistributing what remains to those in need. With these implicit expectations, it is easy to understand why reports of abuse or corruption within the order, while almost expected in other institutions, are so unacceptable by the Thai society. People cannot all join the monkhood; instead they must practice its lessons while adjusting to a society increasingly based on modern economics. These contradictory ideals can create conflict, if not for the sanctity of the wat to guide them on their path. Therefore, when wats receive community support it is their responsibility above all else to employ this wealth in a manner which most closely adheres to the principles they teach to the people.

Scholars, religious leaders and followers have suggested that greater accountability in the handling of donations needs to be introduced. Investigating wealthy monks and even government management of temple landholdings are other options that have been suggested. The positive and negative aspects of such measures have been argued for decades. On the other hand, a greater understanding of how temples function as economic units would help to resolve such problems before they arise, and possibly alleviate the need for further safeguards. People want to feel secure that their good intentions behind merit-making are actually going to good use. The religious contributions, monetary and otherwise, made by Thai people are staggering, and the possible misuse of these contributions is frightening to contemplate, particularly when one realizes that by and large, wat finances are handled in a non-transparent manner. This leads to the central question of this thesis, **“How do Buddhist temples use donations and other revenue, and do their communities benefit from this use?”**

1.2 Objective

This research is meant to explore the economic side of the Thai Buddhist wat and its financial contributions to its community. By examining and analyzing the monetary interactions of actual wats, one can see how each wat prospers and declines in its community.

Once collected, an overview of each temple was created. This overview briefly gives information on the temple, its residents, primary function, type of patronage received, and economic returns to the community. The four wats explored here are not representative of all Thai Buddhist wats; however, they do give interesting insights and a basis to start further research.

Thai wats are not intended to serve the community as institutions of financial benefit. Their primary function is closer to providing spiritual guidance and moral leadership. Attempts at measuring such benefits have been a recent trend among some economists and scholars. The King of Bhutan and his government have been trying to employ the concept of Gross National Happiness as an alternative economic and social well-being indicator since 1972. This concept fell in line with Schumacher's "Buddhist Economics" (1968). If the objective of this research were to measure how competent Thai Buddhist temples are at their primary function, the two indicators previously mentioned would be heavily employed. However, this research focuses on Thai temples as they relate to their community via modern economics. Sander Tideman (2001) said, "Buddhist development concepts such as GNH are more like an ideal, a target, which will require extensive research and practice before it can be a guiding force for day-to-day economic decision making."

In fact, the Thai temples themselves have yet to employ Buddhist economics as a formal standard. In Chapter IV it will be shown that traditionally a Thai temple's success was shown by its continual growth, until, resources exhausted, it went into decline. Today, the few employed accountants from large temples and lay patrons who serve in that capacity at the smaller temples were educated, if at all, in modern economics.

1.3 Literature Review

Starting in India and following into every other country with Buddhist followers, wats' existence depends on the merit of others. The case for merit-giving is reinforced through habit and tradition. It is a cultural norm passed down through the generations. Supporting this tradition are stories that have survived the ages about the first land given for a Buddhist monastery. While the details are different, each story emphasizes the importance of followers giving merit. Those who don't believe strongly in Buddhism still give merit because of the social pressures created. Merit is not only a social obligation but it can add to a family's prestige (Kieschnick, 2003).

In order to answer the question of what happens to wat donations, one must first understand the history of the development of Buddhism over time, because traditional views of Buddhism play an important role in how economics are handled by wats in the present day. Additionally, one must consider the purely economic roles that wats have played throughout Thai history. It is also important that one have an understanding of the Buddhist perspective of economics and how that manifests alongside the economics of capitalism. The data collected for these wats are by and large financial in nature, as it is not within the scope of this research to measure spiritual and other non-quantifiable benefits of the Thai Buddhist temple.

Ernst Schumacher's (1973) and Venerable Prayudh Payutto's (1998) development of Buddhist Economics gives this research an ideal economic system that Buddhists strive for. Based on the teachings of the Buddha, it gives insight into what Thai temples are working towards and achieving. Buddhist economics as a complete concept is not fully employed in the Thai temple; instead it is used as a guiding principle, often followed as closely as possible. Because Thai society is based on modern economics, so too must the Thai wat abide by the principles of modern economics at times. Without the necessity to adhere to modern economic principles, this research would not be necessary.

Thai Buddhist temples naturally fit into the economic side of Thai society. Richard O'Connor (1978) sheds light on many aspects of Buddhism, including an understanding of how wats function economically, both traditionally and in the present

day. Through his work, this research was able to impart a basic understanding of the life cycle of a Thai wat. As later shown, it is a life cycle that is ultimately based on resources made available. Without an understanding of how revenue and expenditures are handled within the wat, it would be impossible to determine the function of Buddhism in the Thai economy.

1.4 Methodology and Limitations

The methodology applied in this thesis comprises a literature review, interviews, research of temple archives and personal observations. While it is easy to find literature on the history of Buddhism and work that supports the tradition of merit-giving, it has been a challenge to find English language literature that discusses the effects, consequences or benefits of merit-giving on either temples or communities or any other entity. Though a sentence or two might hint at Buddhist temple finances, I have found no available body of work in the English language that discusses this topic in detail.

Case studies of several Buddhist wats herein give an intimate portrayal of the economic processes within different types of common Thai temples. This study only focuses on four wats in a nation of innumerable wats. Some wats are directly affiliated with the monarchy, some are big tourist attractions, and some are local temples with only a handful of residing monks. The Thai government separates and organizes Buddhist temples according to the following criteria: royal and private. Royal wats are further divided into three types identifying their class. The following titles of those types are, in corresponding order, *Rajavoramahaviharn*, *Rajavoraviharn*, and *Vovaviharn*. For the purposes of this study, two royal wats and two private wats were chosen. Revenue generating activities include monetary forms of merit received, government funding, land holdings, market-based activities (i.e. selling joss sticks, candles, amulets), and money earned from holiday activities including private invitations to family events (funerals, et cetera). Some wats also generate revenue from interest bearing, capital bank accounts.

The case studies were completed using the process of participant observation at the selected temples. They required access to temple archives, specifically the accounting books and records. Buddhist wats do not have a centralized accounting

system or any standard practices concerning temple funding. Therefore, original, hard copies of these data were difficult and in some cases impossible to acquire.

Though I had hoped to find temples with abbots who could speak English, I most often had to be accompanied by an assistant who translated for me. Even with a translator, communication was not always easy. In order to keep actual data collection as equal as possible, I first approached each temple with a letter asking for exactly what information I was looking for. This letter, originally written in English, was translated into Thai.¹

The letter given to Wat Pho seemed to be vague, considering the level of care and complexity necessary for their accounting department. In an attempt to receive more complete data a new letter was drafted and translated for Wat Pho requesting specific economic data.² As shown in Chapter IV, this attempt did not end effectively. Either through a breakdown in communication or the private nature of the wat, greater details could not be obtained about Wat Pho internal finances.

The topics of religion and money are naturally sensitive and require contextual, cultural understanding if trust and communication are to be established. Once relationships were established, I was able to visit the selected temples weekly and on relevant holidays. I interviewed high level monks responsible for accounting at the temples, or their superiors. I attended various religious activities outside the temple including morning merit-giving practiced by all monks. After three months, I had collected the majority of data necessary for the study. I did not expect to receive complete data from each temple, and found that different types of temples were more open to sharing different types of information.

In the analysis of data from different temples, I was able to infer some missing information from those temples that were more reserved or protective with their finances. The analysis will show the different sources of revenue, how the temples manage revenue, and finally the channels of expenditures.

¹ See Appendix A

² See Appendix B

In order to survive, the Thai Buddhist temple must join its community in economic activity. This research tries to answer the question of how Thai Buddhist temples survive in our modern capitalist society without compromising some of the most basic teachings of the Buddha. It is this necessary economic interaction that is examined closely for answers to such questions. It is readily recognized that religion provides much more than economic benefit to society and Buddhism is certainly no exception.

Economic measurements for such factors as mental health and spiritual well-being are not included in this research. This research seeks to understand only the economic interaction between the Thai Buddhist temple and its community. Furthermore, a complete and encompassing indicator of quality of life has yet to be agreed upon. The concept of Gross National Happiness, Bhutan's contribution to Buddhist economics, may be well on the way to providing that tool; however, it is beyond the scope of this research and therefore not included.

This research is meant to provide missing pieces to the obvious lack of knowledge concerning the economic side of the Buddhist wat. Data collection has presented many challenges. A language barrier necessitated the use of an interpreter, which raises the possibility of misinterpretation. Additionally, research began with an expectation that as the study progressed some temple abbots might feel skeptical or threatened. Since the research was based almost entirely on the cooperation of the monks at the particular temples chosen, it was hoped that the precautions taken would offset unforeseen obstacles, such as incomplete data collection. Indeed, various degrees of cooperation and transparency on the part of temple representatives surely posed limits to the completeness and accuracy of the data. Inferences had to be made in some instances where temples were not entirely forthcoming with the information requested. These inferences are noted in the presentation of the data. All things considered, the data collected was still sufficient for the purposes of this study.

The second part of this research involves "the community." As the other half of the financial relationship explored here, community must be defined. For the purposes of this research, "community" is hereafter meant to refer to those who patronize the

particular wat in discussion and others who benefit from the wat's economic expenditures. This definition is an attempt to use the traditional Thai sense of the term, while recognizing those who receive benefit from wat based community development. Contributions from the royal family are the exception. It is commonly accepted that their contributions to various wats are an expected responsibility as actual and moral leaders of the people. It is reasonably safe to assume that to some extent, the royal family in return receives the ability to maintain its status and authority to rule over the people as other societies have. Chapter IV will elaborate how this definition is most appropriate within this study.

It is hoped that this study will encourage more research into the topic, and shed light on the need for more balance along with greater understanding of the role of the Buddhist temple in its local economy.