Compassion or Competition
Dialogues with H.H. the Dalai Lama on Leadership and Business

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Ten years ago the Dalai Lama came to the Netherlands and addressed us at the symposium Compassion or Competition. Today he is again in our country to inspire us, leaders of religion, business and society, in the one-day conference Leadership for a sustainable world. A precious day!

How can we contribute to a sustainable world? It is already a long time ago since Albert Einstein said that the problems that exist in the world of today cannot be solved by the level of thinking that created them.

In 1988 the Brundtland commission, in the publication Our Common Future, gave voice to a level of understanding that recognized sustainability as a key challenge for humankind, focussing on intergenerational solidarity and responsibility.

After the end of the Cold War market-economies all over the world over ignited a spur economic growth in a rapidly globalizing world. But already in 1992, at the United Nations Conference on Environment and Development in Rio de Janeiro, civil society present at the conference and united under the banner of “We the people”, took a firm stand and proclaimed the “Earth Charter”. As a result the Rio de Janeiro conference became known as the Earth Summit, as laid down in the words of the Earth Charter: “We are one human family and one earth community with a common destiny”.

It took more than seven years of worldwide consultations with civil society groups and leaders, including with religious leaders from the Baha’i, Buddhist, Christian, Confucian, Hindu, Indigenous, Islamic, Jain and Shinto traditions, which finally matured into the Earth Charter document in 2000.

Just one year earlier, at the Symposium Compassion or Competition, the Dalai Lama spoke about the importance of compassion in globalizing business, and Hazel Henderson about the dangers of “Casino Capitalism”, as she phrased it.

Now, ten years later, we can see that indeed an excessive greed-oriented financial world produced a major crisis, leading to the collapse of the financial system and a subsequent recession in
OECD-countries. This is especially tragic because in the last decade globalization brought the world also something positive, namely Corporate Social Responsibility.

More and more transnational companies, often under pressure of civil society and individuals working in those very companies, transformed their mission statements and business practices towards becoming more responsible and sustainable. Important initiatives include the UN Global Compact to the Global Reporting Initiative.

Last year we celebrated sixty years since the issuance of the Universal Declaration of Human Rights. This was reason for me to publish the book *Inspiration for Global Governance*, which highlights the inter-connectedness of all living beings and our duty to protect the Earth’s vitality, diversity and beauty. It also underlines the importance of spirituality for governance and the need to connect civilizations.

The Dalai Lama, by addressing us in 1999 about the importance of compassion, inspired many people and this has led to the establishment of the Global Leaders Academy, which is recognizing spirituality is a key element in leadership. I find this promising.

The Social Economic Council of the Netherlands in its recent report on how to practice Corporate Social Responsibility indicates that time has come to add to a fourth ‘P’ to the three common ‘P’s’ of People, Planet and Profit, namely the ‘P’ of Pneuma. The Greek word Pneuma is reflected in the Latin root of the word Spiritual, which means ‘breath’.

The advantage of this connotation with breath is that it corresponds to the practice of meditation in Eastern traditions, aimed at restoring harmony by taking time off and becoming mindful of your breath.

I therefore rejoice that also renowned meditation master Sri Sri Ravi Shankar of the Art of Living Foundation will participate with us on this one-day conference. I hope that The Dalai Lama and Ravi Shankar, two outstanding spiritual leaders from the East, will assist us in overcoming western arrogance and understanding that in order for us to develop humanity in the secular world, we need to practice spirituality as well.
This one-day conference takes place at a moment that the world badly needs to come out of the economic recession. But let me be clear. I believe that this will happen only when leaders – “We the people” in business, religions and spiritual – go for a new ‘Green deal’ (in Dutch ‘De Groene Versnelling’). If we want to move from Individual Rights to truly taking common responsibilities for a sustainable world, we indeed need to add the Earth Charter to the Universal Declaration of Human Rights. This logic is reflected in the Millennium Development Declaration and Goals; and in the statement “Common, but Differentiated Responsibilities” from the Kyoto, Bali, Copenhagen conference on the Climate Change Challenge.

I want to conclude this foreword with the words of the late Earth Charter commissioner Kamla Chowdhry: “In a final sense the world has always been saved not by our wars and our military leaders, not by our science of technology, not by our industrial magnates, not even by our politicians, but by our saints and spiritual leaders with integrity.”

Ruud Lubbers

Ruud Lubbers is co-author of the book Inspiration for Global Governance, in which he leads the reader through the recent history of governance. ISBN 9789013063059
“On national and global levels we need an economic system that enables a pursuit of true happiness. The purpose of economic development should be to contribute to rather than obstruct this goal. There are many serious drawbacks to the world current economic system. For example, environmental problems are on the rise. Yet, for all the innovation and creativity of our economic activity, we have not succeeded in securing these essentials for all human beings everywhere. We will be able to overcome the disparities we witness today and achieve lasting peace only if we implement compassion. We need to find ways of bringing compassion to bear in our economic development.”

The Dalai Lama
The conference Leadership for a Sustainable World on June 5th 2009 in The Hague is the third in a series of public meetings with H.H. the Dalai Lama on business and economics. The first was the Compassion or Competition Forum in Amsterdam in 1999 and the second The Heart of Leadership in Irvine, California in 2004. They span a decade in which the world has seen some major changes.

In a sense, the dialogues with the Dalai Lama date back to the summer of 1982. Just before graduating from law school in the Netherlands and starting a career, a friend and I decided to prolong our worry-free student life with a long vacation and study tour in India. We ended up spending a few months in the Himalayas. We lived for some weeks among Tibetan refugees in Dharmsala, the seat of the Tibetan administration-in-exile, in the pleasantly forested Himalayan foothills. We met the leaders of the refugee community, who shared with us grueling stories describing the escape from their occupied homeland and difficult life in exile. In one of these meetings we befriended a close associate of the Dalai Lama, who arranged for an unexpected audience with His Holiness. He was much less known in the world before getting the Nobel Price for Peace in 1989, so receiving an audience was not as exceptional as it is now.

Nonetheless, I felt rather unprepared for this privilege, and felt nervous with an upset stomach from Indian food – the ‘Delhi belly’ as it was called back then. We waited for what seemed a very long time in the waiting room of His Holiness’ house. His home was a rather unpresumptuous one-floor building overlooking the valley, with a fragrant flower garden all around. Yet when we entered his room my nervousness disappeared miraculously. I was quickly put at ease by the Buddhist leader, who laughed while pointing to my half-cut Bermuda pants. “What happened to your pants”, he cracked. I had no words to describe the custom of leaving the rough edges hanging after cutting off half of the pants, so I also started to laugh.
When we sat down his gentle smile and intense gaze quickly took me. It encouraged me to blurt out questions that would now seem terribly naïve and uniformed. But the answers that I received have guided me throughout my life.

“It seems to me that, ideologically speaking, there does not need to be conflict between China and Tibet. Socialism (at that time still China’s leading ideology) and Buddhism do not seem to be fundamentally opposed to each other. There must be something in common between these two systems. Why is there disagreement?”, was my first question.

The Dalai Lama answered at length. “I find certain aspects of Socialism most praiseworthy from an ethical point of view, principally in its treatment of material equality and the defense of the poor against the exploitation by a minority. I believe one might say that the economic system closest to Buddhism would be a socialist economic system. Socialism is based on noble ideas such as the defense of the rights of those who are disadvantaged. But the energy given to the application of these principles is rooted in a violent hatred for the ruling classes, and that hatred is channeled into class struggle and the destruction of the ruling class. Once the ruling class is eliminated, there is nothing left to offer the people and everyone is reduced to a state of poverty. Why is this so? Because there is a total absence of compassion for certain groups of people in Socialism. So that is the big difference with Buddhism, which promotes compassion and care for all people, both rich and poor.”

Our discussion also touched on the opening up of China’s economy. He did not object to liberalizing Tibet’s economy. “I don’t think that economic development per se is necessarily a threat to the culture and spirituality of Tibet, if, in its implementation, it takes into account the pre-existing conditions in the country. Economic development may coincide with cultural development. When we speak of happiness in Buddhism, this also implies material well-being”, he made clear, partly through his translator.

My final question concerned Eastern spirituality, of which I had seen much in India and especially among the Tibetan refugees,
who seemed so happy and content. They were smiling and singing in spite of the very harsh circumstances they faced in the temporary refugee camps. I was leading a life of relative affluence but did not consider myself happy. How could that be?

His Holiness quickly unmasked my romantic notions about the East, seeing it as misplaced disappointment with my own culture: “There is nothing that your culture lacks. Whether Eastern or Western, people are trying to be happy, seeking peace, living in harmony with the world. Look at the recent demonstrations against a nuclear war in your country, in Europe. This is driven by the same wish for happiness and peace as we Tibetans. Basic human nature is the same; we are kind, peace-loving beings.”

This exchange made a deep impression on me. Perhaps most moving was the fact that the Dalai Lama took us, young and unimportant students in hippy pants, so seriously. He had given me his undivided attention, as if he saw more in me than I held possible for myself. It was the highlight of my journey through Asia that motivated me to start taking my own life and my own culture more seriously.

After my return from India, back at University enrolled in a course in economics, I could find little that corresponded to the remarks of the Dalai Lama. The economic textbooks talked of economic laws assuming that man naturally competes for scarce and limited natural resources. Classical economics tell us that it makes no sense to exert time, effort and expense on maintaining values, if money can be made by ignoring them. I was shocked to read the words of Lord Keynes, one of the great economists of the last century: “We must pretend to ourselves and to everyone else that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight.” In Keynesian thought, which exerts a powerful influence on economists still today, ethical considerations are not merely irrelevant; they are actually a hindrance. Economic theory, which considers itself a science of human economic behavior, has left human psychology and ethics outside its spectrum. It assumes that happiness is maxi-
mized by consumption and monetary wealth – an assumption I found hard to reconcile with the happy faces I had seen in desolate Tibetan refugee camps.

Now, 25 years later, I can say that these questions became the starting point for a lifelong inquiry into the relationship between economics and happiness, between business, ethics and well-being. My subsequent career in international law, banking and consulting, including working with many leaders in business and society, did not give me answers. Rather it only led me to be more puzzled by the discrepancies between the promise and practice of economic theory. Even though tremendous financial wealth was created in the business world, little of this seemed to trickle down to those at the bottom of the pyramid, especially in the developing countries. And everywhere I traveled I observed that economic development went hand in hand with environmental degradation. So while economics focused on building financial capital, it simultaneously had an eroding effect on social and natural capital.

This inquiry became the focal point of a conference when His Holiness the Dalai Lama accepted my invitation to speak on these issues in Amsterdam in 1999. On the evening of October 18th, four hundred people gathered in the Nieuwe Kerk in Amsterdam, to attend the forum with H.H. the Dalai Lama, which we had titled “Enterprise and Development in the 21st Century; Compassion or Competition?”. A group of distinguished representatives from European business, government and academic circles was invited to exchange views with the Dalai Lama. The Crown Prince of Orange, Willem Alexander, was among the audience with leaders from business, government and the not-for-profit sector.

This unusual group of people came together in an equally unusual setting. The Nieuwe Kerk is a remarkable venue and the traditional host for crowning ceremonies of Dutch Royalty. At the very time of the forum, the former church building was displaying a wonderful exhibition The Dancing Demons of Mongolia. It featured stunning Buddhist relics and artifacts from Mongolia, along with Mongolian musicians playing live before and after the forum. The atmosphere, which may have reminded the Dalai Lama of his beloved Tibet which he had been forced to
escape forty years earlier, transported the minds of the participants into a realm where reflection and appreciation seemed to flow almost naturally.

The topic of the forum was no less unique, for religious leaders and the business community rarely meet to discuss the role of enterprise and economics in our societies. Finally, the timing of the event – on the eve of the 20th century – was extraordinary. Now, a decade later, we cannot help but feel that the forum was extremely well timed. It focused our thoughts on how to deal with the choices that were ahead of us in the new millennium. What do we consider natural and desirable? Cooperation or conflict, dialogue or violence, sustainability or the bottom line, compassion or competition? These questions inspired several more conferences titled ‘Spirit in Business’ which eventually led to the establishment of the Global Leaders Academy. Today, in the midst of a deep economic crisis, these questions are even more relevant and pressing. I rejoice that H.H. the Dalai Lama has once more agreed to join us in this important conversation to shed his light on how we can achieve a sustainable world.

Sander Tideman
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www.globalleadersacademy.com
www.leadership4sustainableworld.nl
Sander Tideman:
"The values of compassion, tolerance and wisdom, which the Dalai Lama so convincingly and humanely advocates, should not be confined to temples, churches and religious circles alone; rather, those values should also be underpinning the world of business, economics and finance, which controls so much of our society today. While free market capitalism is now practiced by most countries in the world, it is clear that the market alone cannot solve growing social inequality, poverty and environmental degradation. In running the increasingly complex, interconnected and volatile global economy, we need to be guided by a vision of well-being for everyone on earth. This forum is an attempt to align the world of enterprise and economic development with human values and ethics."

I then turned to Geoff Mulgan, the key-policy advisor to Tony Blair’s government of the United Kingdom, to moderate the discussion.

Geoff Mulgan:
We are here to talk about as important a set of issues as one could imagine in the last weeks of the millennium; above all, whether the next period will be one of ethical progress or not. Seventy years or so ago, when Mahatma Gandhi was asked by the King of England what he thought of Western civilization, he said, ‘It would be a good idea.’ And it’s worth remembering that that was the time when Europe’s empires ruled the world, the Holocaust was being prepared for, and the gulags were at their peak – which is a sign, perhaps, that some ethical progress is possible. But since then, we’ve also seen environmental destruction, and in the last few years, genocide in Bosnia and East Timor as bad as anything in human history, which is a reminder that progress is by no means inevitable.

We are here tonight to talk particularly about the role of
business, which is quite rare in discussions of this kind, but quite appropriate given that more than half of the world’s largest economies are now businesses, and not nation states.

And yet, I think it is fair to say that businesses have found it hard to work out what this implies for their responsibilities, whether in relation to human rights, child labor, the environment, or new technologies like genetically modified foods. And businesses are taking part in the wider debate, which His Holiness has been a key part of, which is about how we rethink our responsibilities and catch up with the new realities of interdependence.

The Dalai Lama:
It is a great pleasure and honor for me to participate in this brief discussion on the role of compassion and competition in modern society. As far as an informed opinion on the role of business in modern society – specifically the ethical responsibilities attached to doing business – is concerned, I don’t think I really have much to offer. But in any case, I think this kind of gathering, this kind of serious discussion, is an excellent opportunity to learn; so I’m looking forward to listening, rather than talking!

It’s my fundamental belief that, generally speaking, every human being has a moral responsibility towards humanity, a responsibility to consider our common future. I also believe that every individual has the potential to make at least some contribution to the happiness and welfare of humanity. In which case, certainly those of you who are in the business world, as an important part of humanity, have a great potential to make a contribution. Therefore, it’s important that while you are engaged in business or money matters, one part of your mind retains a sense of this responsibility. If you think only of the immediate profit, then you will have to suffer consequences in the long-term. I think that’s evident from what’s happening to the environment. The results of the consumption of natural resources and of manufacturing regardless of the impact on the environment are now clearly appearing. So, those of you in business have a certain connection with this situation, and bear some responsibility.

Moreover, at the global, international level, there’s this gap, this huge gap, between rich and poor; the northern industrialized nations enjoy a surplus – in America, for example, the
number of billionaires is increasing rapidly – while at the same time, in the southern hemisphere of this very same planet, fellow human beings in their thousands and thousands lack even basic necessities, and their children display the clear signs of the malnutrition that will blight their whole lives. This is very sad. And within countries too, the rich increase their wealth, while the poor remain poor, and in some cases become even poorer. So, that reality is not only morally wrong, but also a source of practical problems. Even though the constitution may provide for equal rights and opportunities, the tremendous economic inequality places those poorer people at a disadvantage in terms of their education and careers. This leaves them with feelings of lingering discontent, and a sense of impoverishment and inferiority. Those feelings transform into hatred, which in turn leads to crime, gangsters, murders, and so on. As a result, the whole of society suffers – even the wealthier people, who are constantly under threat and plagued by feelings of insecurity. And I think at a global level too, unnecessary problems sometimes arise because of this big gap. So certainly the business community is clearly connected with these problems as well.

In conclusion, I believe that any human activity carried out with human feeling, a sense of responsibility, a sense of commitment, a sense of discipline, and a wider vision of consequences and connections – whether it be involved with religion, politics, business, law, medicine, science, or technology – is constructive. On the other hand, if these human activities are carried out with short-sightedness and for short-term interests, especially if the intention is simply to accrue money or power, then they all become negative, destructive activities. If your mental attitude is not right then even preaching religion is destructive and creates more trouble. So everything depends on the human motivation. That’s why, I believe, in order for any human activity to be constructive, one must first check one’s motivation.

And when we are talking about motivation, I consider the most important aspect of motivation to be a sense of caring for one another, a sense of sharing with one another, and a sense of responsibility for big issues related to the common interest.

So, that’s my view on how to make money properly.
Hazel Henderson:
I want to thank the Dalai Lama, His Holiness, for being a leader. I hope this will encourage members of other religious traditions to speak out on the subject of the economy as well, because, of course, it’s not something separate from our lives.

My concern really goes beyond the current globalization to the question of how we shape a sustainable global economy. To me, this question is about four ‘C’s (at least in English): Competition; Co-operation; Compassion; and Creativity. And so we have design work to do, to change the shape of our economy, to make it ecologically sustainable and socially sustainable. And the key to making it socially sustainable must be to reverse the growing gap between the rich and the poor, not only between the North and the South, but also within many of our countries, certainly within my own country, the United States, where that gap is getting wider. So I very much support the campaign that’s been going on called ‘Jubilee 2000’. It’s very exciting to me that all of these people from around the world actually persuaded the G7 leaders in Washington, including President Clinton, to support the idea of forgiving the debts of the thirty-six most indebted countries in the world. This is necessary – but not sufficient.

We must also change the current recipe for economic growth – known as the ‘Washington Consensus’ – because it has steered our countries in the wrong direction, measuring growth by the growth of GNP (gross national product). Deregulation, privatization, free trade – it’s not enough, it’s been failing and leading to this widening gap. The problem is that we’ve focused on very narrow kinds of globalization: globalization of markets, finance and technology. This has created the financial bubble that I’ve been talking about for many years, this 1.5 trillion dollars which goes around the world every day. It’s very interesting to me that even one of the economists who in the past ten years has advocated this kind of Washington Consensus, Harvard University’s Jeffrey Sachs, has now changed his mind. I was just with him in Prague with President Havel, and he now supports Jubilee 2000, so we are making a little progress.

What we need to do, I believe, is go towards full cost prices for products, prices which include all the environmental and social costs, and, of course, change the formulation of the GNP to reflect a much broader quality of life. I think we also have to shift our taxes away from taxing incomes and payrolls, and
instead tax waste, pollution, and the depletion of resources, because this will help to create full employment while improving the environment.

I think that what I have really been involved with is trying to raise the ethical floor under the global playing field, because I have been involved in socially responsible investing in the United States since 1982, when it was a `new idea’, and we – the groups that had these ethical, mutual funds – were very small. Today it’s very exciting because there are now sixty funds in the United States that copy our fund, and we’re very happy about that. And 1.3 trillion dollars is invested in these funds which don’t invest in companies that manufacture weapons, or pollute the environment, or are unfair to workers, and all of these kind of criteria. I think that we can encourage more corporations to sign these codes of ethical conduct, and develop these ideas of reporting social and environmental costs in their annual reports.

It’s also encouraging to see how many people are now involved in the micro credit revolution to make credit available to the smallest village enterprises. Even the big banks are now getting involved in this. And in the United States we have had our own stock market indicator of our socially responsible investment funds, called the ‘Domini Social 400’, and it’s very nice to see that this index has outperformed the Standard and Poors index every year for the past five years, so that today even Dow Jones has developed a sustainability index of its own. I’m not too sure what they mean by it, but at least they are moving in the right direction.

So I think we really can make quicker progress, if we encourage all of the activities of civil society, and work together to encourage corporations to fulfil these kinds of social responsibilities.

Jermyn Brooks:
I’m very tempted to take up the challenge – which was not in my script – to respond to the comments His Holiness made about the wealth gap, because this truly is, longer term, one of the biggest challenges, and I’d like to talk about how business could respond to that and make a real contribution.

I’d like to go into the area of the way business is moving in terms of its attitude to business ethics. Now, historically, it
was only yesterday that Milton Friedman said, ‘the business of business is business.’ And I’d like to show you how we’ve moved on – at least in terms of some of the more enlightened companies – from that statement.

However, it is very important that we start out by acknowledging that we’ve not found a more effective way of ensuring the efficiency of business other than by allowing competition between businesses – admittedly, modified by anti-trust regulations, and of course with a social net for the socially deprived and less fortunate. Nevertheless, on a large scale, competition is vital, and it remains the aim of every business person to operate profitably within that competitive environment, and if they forget that, the business will go under. So let’s remember that that must be a prime concern of all business people. And, of course, that led to concepts that are very familiar to most of us, such as maximizing shareholder value, and – driven very much by the capital markets – the short-term, bottom line approach to maximizing shareholder value.

What is now happening is that people are beginning to realize that a longer-term approach to shareholder value is bringing dividends, and we heard from the previous speaker, Hazel, that there is at least some evidence that companies espousing a longer term and wider approach to the purpose of business are being at least as successful, if not more successful, than companies with a strict bottom line focus.

Now, the longer-term focus, in terms of shareholder value, we can put equivalent to a concern about stakeholder value enhancement. What does that mean? It means focusing on the individual components of that stakeholder population, that is, the people who work for the company (that seems so natural, but in many companies it tends to be neglected); it means focusing in a real sense on the needs of the customers, the concerns of the suppliers; it means a concern for the use of resources and the environment; and it means working with local communities, having good relations with the government, and with society at large. Focus on stakeholders also means that companies need to make sure that they are indeed adding value, societal added value. And what does that mean? It means that if companies, over the long-term, are not operating in line with the expectations of society, they will run into major difficulties – and I’ll give a couple of examples later on.
So what are the immediate consequences for companies taking this longer-term view and focusing on stakeholders? Well, first of all, they need to re-evaluate their business values, their ethics, and their strategy in terms of sustainability. It’s not sufficient though to go through an exercise of printing nice, new value statements – there has to be a monitoring process. And so a compliance function needs to be set up in companies to make sure that everybody in the company actually understands what the values are, and there are sanctions and praise for the appropriate behavior. At the same time, many companies have worked on 'reputation assurance programs', designed to anticipate the problems you can run into if there are major issues in relation to your reputation. And again, examples in a moment.

The second consequence is to open a dialogue with society. Now, that sounds rather grand but what it in fact means is being able to discuss openly, in a much more open fashion than business traditionally has, with NGOs (non-governmental organizations), with government representatives, with customers and suppliers, and – believe it or believe it not – with your own employees. Many companies train their employees well, hire them well, and, if they’re good, even fire them with a lot of compassion, dealing with their problems. But do they actually talk to them? Do they use them – as certainly my firm is only just beginning to learn to do – as a source of strength for their own planning?

And the third consequence, for me, is that companies need to embrace what is increasingly being called the 'triple bottom line' approach to measuring business success, the three elements of which are: financial performance; environmental performance; and social performance. The most advance companies in this area are already preparing management reports covering all three areas. Particularly in the financial area, some of them are looking at forward-looking indices ('value reporting', as opposed to just historical financial reporting), green reports and social reports. Some of these companies are now publishing these reports, and publishing them in a way that is quite new, namely, admitting publicly where they’ve fallen short of their own internal standards. And as a final step, just as financial statements are reported on by outsiders, asking outsiders as an independent source to verify that the statements being made in these green reports and social reports are accurate.
Now it’s rather sad, but I suppose it’s a reflection of human nature, that some of the best companies in this area have made their way to these measures through major crises. One of the companies, very well-known in this country, Anglo-Dutch Shell, ran into both environmental and human rights problems, as many of you know, in the North Sea, with disposing of a major oil rig, and with a tribe in Nigeria who felt that their homeland was being dispossessed by Shell’s exploration activities. Shell’s response could have been to regard that as an unfortunate PR mishap and to run a program with the appropriate PR activities and support to overcome the negative impact in the newspapers. What they actually did was to go through some of the steps which I’ve just been outlining to review their values, to introduce compliance systems, to think very hard about sustainability, and to prepare the kind of reports I’ve been talking about. And in terms of interrelating with society, they’ve implemented one of the best programs that I’ve ever heard of via their own web-site, where they have cross-references to all the NGOs who criticize them, with the opportunity then for anyone who looks up their web-site to be able to get the story from both sides. Obviously, a very large company, one with enormous resources, but one which is truly leading the way.

Another example, an American example, is Nike, the running shoes people. They ran into a severe issue when it was discovered, that although not thought appropriate in the United States, outside the United States they were employing child labor in sometimes appalling conditions in some of the poorest countries in the world. Their response to that was to review their whole manufacturing process outside the United States, and to think again about what kind of human rights values they should be applying in their manufacturing process. They then established a system and asked that it be verified each year in a way that they could talk about to the press and to business analysts, and, of course, to their shareholders and to NGOs. One of the interesting aspects of this was that they didn’t necessarily stop employing child labor or simply close down these factories and deprive families who were dependent on this income of their livelihood, but instead entered into discussion with the people in the countries concerned who could help improve the conditions of work of young labor and give them opportunities to study and advance themselves.
So, these are some of the examples of the unconventional ways that companies have dealt with these problems.

Finally, in a word, I just believe that companies can indeed prove that they can operate efficiently, that they can operate profitably, while at the same time complying with the highest ethical values of the societies in which they operate.

_Ruud Lubbers:_
I totally agree with the statements made by His Holiness and Jermyn Brooks, and in particular, I agree that there is a new perspective developing in business, and business people are internalizing societal values as evidenced by their mission statements, codes of conduct, and what have you. And I’d also add, as a former politician, that it might be useful if society at large, society’s leaders, and also NGOs practicing societal values put some pressure and go on putting pressure on business, because the only way we can have them internalize those values is to apportion blame when they fall short of them. Jermyn Brooks gave the examples.

And I think this is the future for business – it will happen. It’s a perspective of hope, maybe you’ll call me naïve, but I’m pretty sure that something is going on in the world and that people will be converted to these new standards, this new style of business. But we still have a long way to go.

Let me say that preparing myself for a few remarks here I read a wonderful book that records a conversation between the Dalai Lama and Fabien Ouaki¹, and I took a few points out of it.

The first point was that His Holiness states the importance of the principle of religious pluralism, and that it is better for the world to have different religions. So in both statements he makes it clear that religious opinion, or religious culture if you like, can be positive under the condition that it cherishes diversity, a plural society. And I think this is very positive, because we have some bad memories about religions. Nevertheless, they can fulfil a very positive role, under this basic condition.

¹ _Imagine All the People: A Conversation with the Dalai Lama on Money, Politics and Life as it Could Be, with Fabien Ouaki, Wisdom, 1999._
The second point which struck me came at the very beginning of the conversation where His Holiness states: ‘Most legal systems refer only to human rights and do not consider the rights of animals and other beings that share the planet with us.’ And I had to think back to 1992, when I had the privilege to be in Rio de Janeiro for the United Nations conference on the environment, and how surprising it was that so many NGOs and representatives of indigenous peoples present made the same plea for a different way of looking at the world. And I realized, as a Dutch person, as a European, that it is indeed more than five hundred years since we last heard something similar, in the Canticle of the Sun by Saint Francis of Assisi. Saint Francis was someone still capable of approaching life in terms of brotherhood with animals, seeing the essence of nature, the value of it. And though economically and technologically we have been so very successful in our Western civilization, we have lost the talent to see how we are a part of the Earth, ‘Mother’ Earth, and the universe even. This is something beyond human beings alone, and certainly beyond economics and technology. And, since Rio, we have seen the enormous efforts of many people to vocalize this in an ‘Earth Charter’, which is not at odds with the human rights concept, but indeed, adds new elements to it.

It’s the paradox of our times that globalization in terms of economics and technology is leading to more and more attention being drawn to spirituality. It’s good, Your Holiness, that you received the Nobel Peace Prize, but it’s about more than the traditional concept of peace. You’ve also been able to send a message to us, just as you’re doing here today, about other values. I think this is great. And by the way, it’s great that on the very day I see you in this country we hear that this year’s Nobel Peace Prize is going to Médicins sans Frontières (Doctors without Borders). It is another indication that the concept of peace, the concept of living together, the concept of living in harmony, is very much related to a spiritual approach to life. It’s being given shape and substance, not only in politics, but also by religious leaders and by those who prove by their actions that there are other values as well.

In the book we also read about technology. I found this interesting, and I’ll quote you, Your Holiness, because it’s so nicely formulated. At one particular point in the conversation you said: ‘We had a rule in Tibet that anyone proposing a new
invention had to guarantee that it was beneficial, or at least harmless, for at least seven generations of humans before the technological invention could be adopted.' And once again I thought back to Rio de Janeiro, where we formulated a so-called precautionary principle, very much in line with this and – in contrast to the short-term thinking that Jermyn Brooks pointed to as one of the aspects of our modern Western economy – very much long-term thinking.

I’d like to give you a report of a conversation I had with a member of the Académie Française, a famous physician called Michel Serrer. He began by explaining to me that he’d been a professor to generations of students, and told me how proud he was of his students and all their new inventions. But then he added something. He said, ‘Mister Lubbers, in recent years I’ve come to the conclusion that more and more of my students, those who I appreciate a lot, are not at all so proud of being leading physicians inventing and applying new technology. They start to become a little concerned about whether what they are doing is always right. We’ve had this experience before, you know, the first time with those who brought us the nuclear weapon; they ended up with quite a hangover. We see the same thing happening more and more.’ Then I asked this famous Monsieur Serrer, ‘Do you have any idea what to do about it? Do we, as politicians, have to check on our new technology?’ ‘No,’ he said, ‘I’ve thought about it a lot, and I think it’s about two thousand five hundred years that we have to go back to find the answer.’ I was really surprised; what can we find there, before Christ? And then he explained to me: ‘At that time there lived a man named Hippocrates. He lived in Greece at a time when substantial advances were being made in terms of what medical doctors could achieve, and people were becoming a little bit scared about the physicians’ power. They discussed the situation and came to the conclusion that what was needed was an oath you’d have to serve if you practice medicine: the Hippocratic oath. I think that today we should propose a similar oath for those who are active in science and technology.’ And indeed, he had already worked out a formula for such an oath.

The point here is just that we have come so far, to the limits of economics and technology, mastering the whole world along the way, and at the very same time we are coming to a point where responsibility, in moral terms, becomes so important
that we need new initiatives. Jermyn Brooks said something along these lines, and I applaud that, and Hazel Henderson explained that even as famous an economist as Jeffrey Sachs is changing his attitude.

Let me end by stating that I’m really concerned, precisely because I was in business, I was in politics, and have tried to look objectively at how the world is developing. I’m especially concerned about the so-called Western civilization that the moderator mentioned. Yes, we all preach certain values; but the reality of life is very much what I call the ‘Bermuda triangle’ of values. What does that mean? I’ll sum it up.

Firstly, there’s the **economization** of life; it’s all about money and the economy. Even human identity is equated with money. Your identity is your income, your level of consumption. Secondly, there’s the enormous power of the media, which have become as short-term as the economy. It’s all about sound bites. It’s all about news that shocks. When we come home we ask, ‘Has something happened today?’ and if nothing has happened we are not at ease. The media know this and they’re constantly adapting the news to suit. I call this the ‘mediazation’ of life. And thirdly, there’s **short-term politics**. Politics – it’s supposed to be for the public cause, the long-term statesmanship, but in fact it’s about doing well in the media.

Short-term, all three of them. And about money. If you’re in the triangle, you’re lost, you go down.

Now, we have to organize something to counterbalance this, and of course, that can only be spiritual values and a different lifestyle. And we have to support those who are active in these areas. We have to envision a different world and actualize it.

I said a few words about the Earth Charter initiative, but there are a number of such initiatives. Religions of the world have come together, entered into dialogue, and made declarations. What do they propose? No longer being active in politics myself, I have some time to study these documents, and three elements, reflecting three aspects of society, are key: they are all aiming at a just, sustainable, and participatory society.

*Just* is a concept known to you. It’s about fairness, about justice, a concern of all generations; only today we are very con-
cerned, and His Holiness brought it to our attention once again in relation to the gap in incomes and our capability to do something about it.

The second element is newer: it’s the concept of sustainability. At the very moment that we’d managed to spread economics and technology all around the globe, we were coming to the conclusion that the short-term approach doesn’t work, and that we have to take more responsibility for the generations to come. And that’s exactly what sustainability is about, the long-term. It was a quality of clothiers in the past, and we have lost it.

The third is about the participation of human beings. Each and every human being has the right and the potential to participate in society. That’s really what we want with a just, sustainable and participatory society. This is about having a job, of course. It’s also the right and the opportunity to be active in other areas, including, yes, contemplation. Therefore the concept of a more spiritual world, and a world in which people can participate is not only about the economy; it’s about harmony in life as well.

Now, I do think that such a just, sustainable and participatory society is supported by humankind, by religious leaders, and by NGOs. Practicing those values as well, can counterbalance that ‘Bermuda triangle’, and that’s what we need. Therefore, I was so happy, Your Holiness, to read your interviews. Because, even though I’ve never been in your country, and frankly speaking, for me you are a strange person – maybe a saint, maybe a leader – but faraway and strange, nevertheless, if you would allow me to say so, I feel like we are partners sharing things, doing things together.

I’m grateful you came here to visit us – thank you so much!

Geoff Mulgan:
I’d like to ask His Holiness to respond to the three presentations we’ve had. Perhaps I could ask you to address a question that underlies all three, which is: To what degree are we now in an era when good ethics is also good business? And to what extent are there still difficult trade-offs and choices to be made in relation to equality, precautionary principles, and so on? How easy are these questions, in other words.
The Dalai Lama:
I learned many things, I’m grateful. And it also gives me some kind of encouragement. Thank you.

In my view, ethics means something right, and right means something beneficial to us. So, any action – whether it’s business or any human activity – done with that kind of aim, according with a vision of something of benefit for ourselves and the world at large, is ethical. Of course, sometimes there’s contradiction; short-term interests may be bad for the long-term, long-term interests present difficulties in the short-term. On the other hand, sometimes short-term and long-term interests coincide. But I think the problem here is due to shortsightedness, as you mentioned, too much exclusive concern with immediate benefit, and also, I think, focusing on a limited area is a problem.

One of the characteristics of the modern Western approach to issues and problems is this tremendous emphasis on clarity and precision. But the problem that arises with an emphasis on precision is that our outlook narrows, because precision can only be found if the focus is narrow. Looking at the same issue from a wider perspective means one cannot demand the same level of clarity and precision. Similarly, if we extend our perspective to the long-term future, there will be a lesser degree of precision. Consequently, some of our present activities are of some benefit, or at least do not do any harm, but in the long run or further afield negativity results.

Now the application of ethics here entails acting in accordance with reality. However, I feel that there is sometimes a gap between reality and the prevailing mindset. I think today’s reality is much changed from the reality of the early part of this century, in terms of population, technology, and also levels of consumption. And the world is becoming smaller as well. But our minds tend to lag behind, a little bit caught up in old ways of thinking. So, we try to solve problems, but because of this gap our efforts are often not so effective, or lead to further, unnecessary problems.

So, the main point I wish to make is that when we talk about ethics we should have a clear understanding of what we mean by ethics. In my view, ethics should not be seen as embedded in religious faiths, but rather understood more in terms of acting in accordance with the reality of our world. For example,
The previous speakers all pointed out how the business world is changing in response to modern reality, how certain forms of behavior which were acceptable in the past are no longer considered acceptable, and how persistence with these ways of behavior is detrimental even to the financial interests of these business communities. What this suggests is that to act ethically we have to act in response to the reality of the situation, taking into account both the long-term and the wider picture.

Geoff Mulgan:
I’d like to bring in the first of our discussants, focussing on this question of how our institutions of business and politics, and our mentalities, need to catch up with the reality of interdependence.

Henk van Luijk:
Your Holiness, in your many lectures and writings you elaborate extensively on the principle of compassion, and you apply it to the realms of education, law, politics, health, and even technology. But also, repeatedly, you admit having some difficulties in applying it to the domain of economics. If I may paraphrase some of your sayings, you suggest that where competition and profit seeking is the rule of the game, there is no straight way to compassion.

Now, if this were the last word, it would imply that dominant fields of human activity would remain outside the influence of compassion. I can hardly believe that we should leave it at that, and I’m sure that you agree on this point. However, I also doubt whether we should, and whether we could, turn to the level of the individual, saying that business people are also human beings and as such accessible to the workings of compassion. Many business people are human (to a large extent at least!), but that does not necessarily enable them to permeate, as it were, their field of action with compassion, given the perversiveness of the laws of the market. To behave in the market in a compassionate way you need allies who admonish you to accept your responsibilities, and who are prepared to co-operate with you in a common endeavor. This means that in the market, the name for compassion is ‘co-operation’, or ‘responsibility’. It
is only in this indirect way that compassion can take shape in the domain of economics. And I must admit that I feel a bit uneasy with this conclusion.

So, here is my twofold question to Your Holiness: Do you agree, that in market relations, compassion should be interpreted first and foremost as co-operation and responsibility, and not simply as a personal trait of character; and, second, if this is the case, do we, by this translation of compassion into co-operation and responsibility, lose something of the depths, the warmth and the power of compassion?

The Dalai Lama:
As to the first part of your question, I think the role of co-operation in business, in fact, suggests the role of compassion. This is actually quite similar to the idea one of the speakers presented about how businesses are changing by taking greater care of the needs of the stakeholders, the employees, and so on. Although the main motivation may be to ensure one’s financial success, in the process one is compelled to take into account the needs and concerns of the stakeholders and so on. When you bring about greater co-operation in business, then there is a role for compassion.

Why do we actually need compassion? My answer is ‘Because it benefits us.’ The more compassionate one’s mind, the happier one feels. Look at other people: if they are negative and harbor feelings of hate towards others, they lose their own happiness, their own peace of mind and they suffer! So, this is my main argument. I am Buddhist, and I’m practicing compassion, but I do not do so in order to please Buddha. And neither do my Christian brothers and sisters practice compassion merely to please God. No, it’s one’s very own future that’s at stake. So, therefore, even if in business one’s main interest is a successful company, you can still take care of your workers, and also of the customers; show them a smile – not an artificial smile, but a genuine smile – then more customers will come!

The second point is a more philosophical question, and I don’t know the answer. I’d need to think more about whether reinterpreting compassion in a particular context in terms of co-operation means that it loses its special meaning and power.
This is a philosophical question that would require a certain amount of time and thinking. Perhaps I need to do some homework on this, think it over, and discuss with more people...

*Erica Terpstra:*

I’ve had the privilege of spending the two previous days among the nine thousand people in The Hague gathered to hear His Holiness warm teaching on compassion and well, to meet the embodiment of compassion and love. And I saw young people and older people, I saw businessmen and people without any work, and it was really heart-warming. And I thought: this is really the inspiration we need. And I asked myself, why is it that nowadays Buddhism is flourishing so much in the West and around the whole world? And I think that may be it’s because we put too much materialistic greed and too much technology in our modern life, and may be, deep inside, we profoundly need to find a new balance between modern life and spirituality. And of course, that not only applies to business, but to politics as well.

I remember a couple of years ago, I had the privilege of being in a Buddhist monastery for a week of meditation and practice. The day I returned to Holland, I had to go to a political meeting where we debated the so-called half-percent more/less. (Your Holiness, I’m sorry, I can’t explain this to you; it was just about the difficult question of whether the wages of employees should be half a per cent less or more.) And imagine – I’d come straight from this monastery and was sitting in this meeting listening in confusion, when all of a sudden I said: ‘Mister Chairman, I miss some *spirituality*...’ And they all looked at me as if to say: ‘Bring on the men in white coats!’

And now my question. Hazel Henderson talked about the four ‘C’s, Your Holiness, and one of the ‘C’s was competition. And Jermy Brook said that we should not forget that competition is vital. How do we reconcile competition and wanting to be the best, with the practice of compassion, with the practice of altruism? If you say to people in the domain of economics, ‘Well, you shouldn’t try to be the best because you’ve got to abide by an ideal of being of benefit to all sentient beings,’ isn’t there the danger that you will be looked upon as a softie? Please help us, and teach us.
The Dalai Lama:

Usually I make a distinction between two kinds of competition. One kind of competition is more negative: You want to reach the top, and because of this you actually create obstacles for others. Alternatively, one simply accepts that just like oneself, others also have the right to reach the top, and if one works hard and determinedly with that attitude, then there’s nothing wrong. In the spiritual field also, in Buddhism, for example, the aspiration ‘I want to become Buddha’ is not selfish. This is not a matter of wanting to be better than others are, not at all; rather, in order to help others more, in order to serve others more one needs to have more ability.

Moreover the desire to be the best can be applied to many things, not just to profit. One could be the best at bringing the most benefit to people. If a company benefits more people than its competitors, that’s really the most important facet of being the best. If a business makes a lot of profit but earns itself a bad name – that’s not the best! So I think it’s important to have an understanding that the criteria for being the best are not purely monetary. Therefore, I think the desire to be the best is absolutely right. Without that kind of determination there’s no initiative, no progress. In the present context, compassion also means the desire to help, to serve, or bring more benefit to the larger community, by any means, including business. So I think that wanting to be the best can go together with compassion.

And another point. If compassion were always to mean giving, then any company that acted compassionately would soon go bankrupt! But from the Buddhist viewpoint what we actually need to do if we want to help others is empower them to stand on their own feet. It’s not a question of limitlessly giving without any kind of initiative on the part of the recipient. So I feel this idea of empowering others through one’s own help could have direct relevance in the business world as well.

Eckart Wintzen:

Your Holiness, I think you gave us great advice which immediately enters the heart, exactly where it needs to be. You talk about caring, about sharing, and about compassion. But, in this room, now, we are talking about competition, and business, and Western enterprises. And one way or the other it seems that the very fabric of Western enterprise doesn’t allow much space for
caring, charity and compassion. As for sharing with the poor, well, we have learned to do that with our employees, more or less. But when it comes to sharing with other parts of the world – what we normally call ‘development business’ – it doesn’t usually have much to do with sharing; it’s about developing a market. At present, sharing with the next generation seems to be our biggest dilemma, in particular, because we don’t see the future of the next generation that clearly. You talked about looking at reality, but the reality of the current generation is already a little bit obscure, let alone the reality of the next generations. And where things are unclear and don’t fit with our present thinking, we have the tendency to hide them, or to dismiss them, ‘Oh, the problem is not as big as you think, take it easy,’ and so on.

But it looks, as I said, as if the Western free market economy is driven by the forces of having and getting, which are completely different from the values you’re promoting. The Western free trade economy generates strong ego: I want to have the biggest company, I want to have the most powerful company, and so on. It generates greed: We want to have more employees, more assets, and the shareholders demand that. It doesn’t generate sharing at all. The rules of the game are wrong in the Western economy – that’s our problem.

And even though it seems to be so difficult to change the rules of the game, as Hazel has already said we must try to change the rules in such a way that we get more sharing. We need different definitions, we need a different economy, and we need different taxes. Taxes are all about sharing – more of the community money going to the poor. So we need different rules there. And I loved what Ruud Lubbers said, quoting you, Your Holiness, about requiring inventions to be beneficial for at least seven generations – that’s great! I think most of our inventions today are already ruinous for the next year, and if not, definitely for the next generation. For example, we have learned to deal with pollution to a certain extent, but we seem to hide away the problem we are creating for future generations by combusting fossil energy and producing enormous amounts of carbon dioxide.

So we need different rules. And I think maybe the onus is on us here in the West to change our politics, our business life, and our society. But we also need a different attitude at
heart. We need change at the level of the individual, the man at the top who is (sometimes!) a human being. The person at the top is always the ‘best’, but very often not in the way that you define the term, since the rules of promotion are not the same. So, we need more decisions coming from the heart, more decisions made with real vision. And I think we all love listening to you sharing your values with us, but we need more of it; give us more, I would like to say, to help us change and look to the future.

The Dalai Lama:
I agree very much that fundamental change really needs to start from the individual. And once transformation takes place within an individual, however limited the effects may be, at least within the limited domain of his/her activity the influence will be felt.

Hans Opschoor:
It’s not so much a question that I have but more of a statement. Maybe that gives the Dalai Lama a little rest! Indeed, one of the great challenges is fairness across generations, and we’ve all heard now, for the umpteenth time I’m afraid, about gaps between rich and poor, and about ecological imbalances. My question has to do with the capacities to deal with those challenges. What about our human and natural capital? How can we make globalization, for instance, sustainable? I agree with many of the speakers: we do need new financial mechanisms; we do need new institutional arrangements; and we do need new economic structures. I personally would like to add to the list of institutions mentioned, trade regimes, investment regimes, and capital flow regimes as well. We also need changes in individual lifestyles, and we need ethically driven codes of conduct for corporations. But I think first and foremost we need more – and particularly more widely spread – awareness, ideas, knowledge, know-how, will to manage and govern, and participation in development to make it more human and more sustainable.

However, there’s a problem. Of course, in terms of primary and secondary education we are getting to be aware of the need to raise the levels of these and to raise literacy. But UNESCO tells us that when it comes to higher education and professional training, there will be a growing gap over the next decade.
between the need for institutions that provide such training and the distribution of institutions able to meet that need. There will be – there already is – a growing inequality in the access to professional and higher education. This is not only unfair to future generations in developing countries, it also runs the risk of increasing unsustainable use of resources on this planet, with high costs to humanity, as well as to biodiversity. I’m very happy that Mr Lubbers raised that particular point out of your thinking, Your Holiness.

UNESCO pleads for a more pronounced position on ethical considerations in education. After all, that is where the citizenship, leadership and management capacity of tomorrow is to come from. Higher education, or education in general, can contribute to better governance, to a stronger civil society, and to socially more responsible enterprise. So I would like to add the role of education to the list of instruments already identified by the panel.

Let me ask for a couple of things, not so much from you, Your Holiness, but from world society. I would like to call – let me reduce it to one issue – for a quantitative increase in the capacity for higher training in developing countries, to be facilitated not only by those countries’ governments, but also by public-private partnerships from here, and by the international community. I would like to call for more explicit and extensive plans to invest in these capacities, by bilateral and multilateral donors, including the World Bank and regional banks, through three things: institutional capacity building; fellowship programs; and the facilitation of widely accessible and needs-based distance learning facilities.

Ruud Lubbers:
I think I need only one minute to comment. First, I want to stress what you said in relation to the definition of ethics, Your Holiness, about inclusive thinking, taking into account the whole and the long-term perspective. So that’s the first point: the necessity of inclusiveness. That’s basic. And if we can apply that principle to education in order to understand what education is about, then we’ve already won one battle.

Then the other battle, of course, is to be very practical. Throughout history each nation and people has understood education as vital. What’s new now is that we are living in a global
world, a global economy. We have to learn to set aside the financial means for education and training all around the globe. But it’s not just a question of money; it’s also a question of partnership as the speaker indicated. So we have to learn two things: to see the whole and the future in education without getting lost in the detail of decision-making; and to view education at a global level. And that’s where information and communication technology offer a perspective and an opportunity. We are becoming ‘e-mailing societies’, and in these e-mailing societies we are connected with other people. We need to provide for their essential education as well. There will be no peace in the future without global education.

Fred Matser:
We all think, but we forget so much about our feeling, and about allowing ourselves to be inspired, to be creative with one another, through time and space, with our Creator. One little thing on the subject of competition. Tennis was once a game where the understanding was that you did something together. The players hit the ball back and forth with the shared intention to keep the ball in play. And it reflected nature, the cycle of life, coexistence, joy, creativity, variation, and things like that. And what did we make of it? We made of it a competitive game in which the person who is the first to break that cycle is rewarded with a point!

And I think that illustrates what we all suffer from: a belief system that demands that we have to win at the expense of a loser. But the reality in time and space is that we all share the same room with all other people, animals, trees, nature. We are all together, we share time. And the whole idea of competition, in my understanding, is a fallacy; it’s just a misunderstanding in our mind. And if we could slow down our mind, we might be able to understand…

One last thing: Perhaps it might be a good thing in business to go from ‘human having-ness’ back to ‘human being-ness’, into more ‘be-is-ness’ in business.

The Dalai Lama:
Wonderful! Beautiful!
Geoff Mulgan:
I think it’s in Aikido that you lose if you hurt your opponent, which is quite a good rule.

Stanislav Menchikov:
Nine years ago I promised the Dalai Lama to write a book about the ‘compassionate economy’, or ‘compassionate economics’. I can report that I have written that book, and parts of it are already published in Moscow as big sections of my textbook which I called New Economics, which really means compassionate economics.

Since I have discussed most of the propositions in this book with the Dalai Lama during previous encounters, I don’t really have any questions for him. I understand his position. In fact, in ten years I find he has become quite an economist! A much more developed economist than he was ten years ago – that’s great progress to see. But I do just want to say one or two things, and make a suggestion.

This New Economics that I have authored is now being officially recommended by our Ministry of Education in Russia as obligatory reading material for economics courses in Russian universities. So economics is being taught there in that way. Now the kind of economics that I teach is quite different from the prevailing neo-classical model that is taught in the universities. I taught in the Erasmus University for quite a number of years before I retired, and I must say that the standard, neo-classical model is very much different from compassionate economics, and, I find, very different from real life as well. Eckart Wintzen talked about the ‘rules of the game’, but are they really prevalent? Well, in some areas they are, and in some areas they are not. I think that an economy that is totally based on maximization of profit and utility is really in conflict with human nature. It does not reflect the prevailing patterns of human behavior. Human beings are partly motivated by egotism, of course they are, and even greed. But the neo-classical model that is taught in the universities actually teaches them to be greedy; it inspires them to maximize.

If you look around carefully you will see that most people are not really maximizers, but what one might call ‘satisfy-ers’: they want to satisfy their needs, and that means being in equilibrium with oneself, with other people, with society, with civili-
zation, and with nature. It is a different kind of equilibrium than the ones we talk about in economics, but it is a basic equilibrium. And it’s also reflected in the family. The relations within the family are mostly based on altruism and compassion. So most of our lifetime we are really altruists and compassionate, because the biggest part of our life is spent away from business and the wish to be on top and so on.

But, in business too, efforts to achieve the possible and not the unattainable maximum also guide many successful-and profitable businesses – even in market economies. Any company knows that what it wants to do is preserve its own share of the market; but that’s not maximizing actually, if you look into it deeply. I think we need to make quite a lot of adjustments in the way we teach the young people in our universities who are preparing to become socially responsible businessmen, socially responsible citizens, and socially responsible consumers.

And with that I wish to thank the Dalai Lama for bringing me an insight into the way to think and teach economics.

Wessel Ganzevoort:
In recent years the Western world has reinvented the word ‘leadership’. It’s very often used as a label applied to what in the old way of thinking we called ‘management’. Of course we all know leadership is about vision, about a future, about purpose – even purpose in life and the purpose of your company. But in my understanding leadership is also very much about alignment, and alignment is more or less reconnecting, like the word ‘religare’ which has brought us to religion. It’s aligning behavior, personality, ego, with the soul – we haven’t used that word today, I think – and the soul with the divine, God, the ‘beyond’, or whatever. Leadership is very much about an authentic path of reconnecting, about knowing on a deeper level. And I believe – and I think this is something Eckart Wintzen has already said – the world organizations, nations, can only change if individual leaders take a path of reflection, maybe meditation, contemplation, and go that way of reconnection and alignment.

However, we have to do that in a context and an environment that to a large extent is based on ego, power, status, competition and money – a context I would say is brutal, aggressive and selfish. I mean it’s not easy to go that way, and I think many individuals that try to walk the path of alignment and
reconnection take great risks. We dare not jump off the tiger that we have created together, because we fear that it will kill us. And we feel that our competitors should, at least, jump first.

So my question is: How do we restore trust – trust in society, trust within individual organizations, and most of all, trust in the individual so that the individual can grow and develop into an authentic and compassionate leader?

Geoff Mulgan:
In a sense this question is the same one which applies to governments which ask, ‘How can we start cutting our arms spending when every other government is spending more?’ and to business people who ask, ‘How can we act ethically if none of our competitors are doing so?’ How do you create the confidence and trust for people to act differently?

The Dalai Lama:
There’s no simple answer. Basically, I believe that if you have a more compassionate attitude you find it very easy to communicate with your fellow human beings, likewise, if you are truthful, honest and open. These are, I think, the basis of trust. If one side tries to hide something and tries to deceive, how can trust develop? Very difficult. Openness and straightforwardness – they’re the basis for trust.

Geoff Mulgan:
We have time for just three questions from the audience, and then I’m going to give each of our panelists one minute to conclude with some practical steps which we can all take out of this event.

Question:
Your Holiness, during your teachings in The Hague you said that greed is an afflictive emotion. In our Western economy however consumption is encouraged and therefore greed also. What would Your Holiness say to modern economists who propagate the economy of consumption, and therefore greed?

The Dalai Lama:
We should seriously think of the environmental consequences of consumerist society. Although advances in science and techno-
logy may be able to help us adapt to some degree to these consequences, in the long run we will have to face limited reserves of resources and the prospect of reaching a point where even science cannot rescue us. As a society, it is important to practice contentment, so that our greed and excessive consumption are not constantly overtaking us. At the level of the individual in particular, it is important to realize that no matter how far we go trying to gratify our greed and desire, we will not find total satisfaction. Rather, fulfillment is found by adopting the inner disciplines of self-restraint and a sense of modest needs.

Question:
Your Holiness, in today’s global economy everything is left to an invisible market where nobody seems to be in control. Even governments don’t have much influence, and a lot of people and some nations lose out. What can the teachings of Buddhism contribute to redirecting the economy so that all sentient beings benefit?

The Dalai Lama:
That’s also difficult to say. Some people have coined the expression ‘Buddhist economy’. I’m not sure what that means. Of course, for Buddhists, just as for practitioners of any other religion, contentment is an important practice. But as far as the global economy is concerned, I don’t know. In any case, as I mentioned before, a serious matter is the gap between rich and poor at both global and national levels. The gap between rich and poor grows bigger and bigger.

A few years ago someone told me the number of billionaires in America had reached forty or so. Another friend in Chicago told me recently that the number of billionaires is now four hundred. Is this figure correct? Do any of you have any idea? Anyway, the number of billionaires in America is clearly increasing while many people remain poor; in some areas of the country even basic necessities are inadequate. We can see the contrast between very rich and very poor among the inhabitants of just one big city like New York. This is very sad, and not only morally wrong, but also a source of practical problems. If one lacks even the basic necessities it’s very difficult to practice compassion and caring for one another.

So, we have to address this inequality, and in this res-
pect I think socialist ideas are very relevant. I remember an occa-
sion in India when members of a rich family came to seek a bles-
sing from me. ‘Oh, I cannot bless you,’ I told them, ‘I’ve nothing
to give’. Of course, real blessing is an inner act and not a matter
of giving some thing. I went on, ‘As a rich family you have used
capitalism to reap your profits; why not use socialism to distribute
these profits to improve the health and education of the poor?’
That was my suggestion: to make money by exploiting capita-
listm and then spend it by applying socialist principles. I think
that is proper. Actually, I was also told in America that in the
past rich people were very stingy, while nowadays more of them
give donations to help with the education and so on of under-
privileged sections of society.

At a global level, there is a big gap between the northern
industrialized nations and undeveloped southern nations. Ac-
cording to some experts, the southerners’ standard of living has to
be raised. If their living standard is raised to the standard that
northerners already enjoy, it’s questionable whether natural
resources will be adequate to meet demands. Just imagine, if
every person in India and China acquires a car – that’s two bil-
lion cars! Problematic, isn’t it? Living standards will rise in gene-
ral, so sooner or later the northerners’ lifestyle will have to
change in line with new imperatives. In the West you have a
deeply embedded expectation that in order for the economy to be
successful there has to be growth every year; sooner or later you
will discover that growth has its limits. These are very serious
matters.

Question:
Your Holiness, I’ll try to be as ‘young and naïve’ as I can. I need
your help. I work in the business sector, and I’m an idealist who
wants to make a difference for the world in the direction that all
the panelists mentioned. I live and breathe the business sector
mentality and environment, and I perceive that there is a sea
change needed of a magnitude that far out measures the ener-
gies that I have to spend. So my question is: Could you please
give me some directions that will help me to keep on trying to
make a difference?
The Dalai Lama:
I don’t know. My own experience has been that no matter how numerous the difficulties, no matter how big the obstacles, if your belief or your ideal is truly reasonable and beneficial, then you must keep your determination and maintain a constant effort. And I also think that if something is right and good for the larger community, then whether that goal materializes within one’s own lifetime or not doesn’t matter. Even if it’s not going to materialize within one’s own lifetime, we have to keep working. The next generation will follow, and, with time, things can change.

Here, I think the main problem is certain tendencies, whether right or wrong, already deeply rooted in society, or in the mind. My impression is that the whole structure of society is developed such that one individual, or a few individuals, cannot do much to change things. I notice some young university undergraduates; for example, have a very fresh mind, full of ideas, ideals and enthusiasm when I first meet them. Then, a few years later when we meet again, they have their own family and they’ve become part of the whole wheel, going round and round and round, complaining as they do so. But you’ve no choice but to go with that circle! I think they simply begin to realize that something is lacking, something is wrong, and with that realization, I think one does some kind of groundwork. And I think particularly in the field of education we need to make clear and emphasize to the younger generation the basic human values and the importance of a warm heart. And then, gradually, through evolution, I think there is a possibility to transform, to change.

So, I’m not expecting that certain of my fundamental beliefs will materialize within my lifetime. But that doesn’t matter. What’s important is to get clear what is wrong, and to make a start.

Geoff Mulgan:
Perhaps I could ask other speakers to very briefly attempt to answer the same question. What practical step would you offer to our questioner?
Hazel Henderson:
Two short points. First that we ask all of our Professors of Economics in all the universities to teach about the altruistic, unpaid half of the economy. I have been writing about it for twenty-five years, and every woman in this room, as well as most men, knows all about it.

And the last thing I would say is, my view of competition is that we can move competition into new areas. For example, in the USA the competition now is to see who can give the most money away. Will it be Bill Gates, or will it be Ted Turner? So let us encourage this kind of competition!

Jermyn Brooks:
I certainly don’t know the answer. But for individuals seeking the right path and the way to influence the world in the right way, let me just say from a business perspective, that I don’t apologize for supporting the concept of enlightened self-interest in business activities. I think if it’s in the enlightened, long-term, sustainable self-interest of business, then we will find that the activities that that business develops are of benefit to us all and not just to those people who are involved in those activities. So, I would encourage the questioner to the extent that her future in business is to embrace those principles. And I’m actually quite optimistic.

One of the reasons I’m so optimistic is precisely because of this conference. Business would not have been invited to this kind of conference only a few years ago, so things are moving and business people are now stepping up to the challenge of ethical behavior without embarrassment, much more so than they were only a very few years ago. And just a very small example in terms of the educational challenge which one of the speakers raised: We were recently asked to talk about sustainable development to the London Business School, and this was not an official invitation, it was an initiative by the students. As a result of that initiative, the London Business School – as just one example of a business school – has taken on a full program which is fully part of the credit system for the MBA program, in which they will talk about ethical business, stakeholder value, and the issues we’ve been talking about today.
So I think we are creating change, and I think the individual and all of us individuals can make a difference if we believe in this direction.

RuD Lubbers:
My observation is basically that people are very scared of what’s called ‘globalization’. They are scared, they are concerned, and they are becoming very cynical as well. At the very same time, Hazel is right. Sometimes you see new things, like very rich people who perhaps turn out to be a blessing in disguise, and new initiatives as well, like Médecins sans Frontières, as I already mentioned.

But now I want to conclude on my part by linking up with what His Holiness said when answering a question about trust, that is, that it’s so important that people perceive that things are done in good faith, truthfully, and with dignity. Personally, I believe that politics, business and civil society are all important, but what is even more important is that all three practice principles of transparency, accountability and integrity. If leadership in the world – in the form of NGOs, companies, or politicians – can make it clear to the public that they are working according to standards of integrity, by working openly, transparently and accountably, maybe the public at large will start to be less cynical and scared about what’s happening today.

I realize these are the words of a former politician who was in the business of change – yes, politics is about change – but I defend the thesis. I think, having listened to His Holiness the Dalai Lama, that in order to practice compassion and relate to other people in terms of companionship, as people with whom you share your bread, the basic requirement is a change of attitude, but also a change of practicalities in the world – it’s not just about nice theories.

I was very impressed when His Holiness explained that spirituality is not above things that are important for human beings and humanity, indeed, that it’s exactly in the interests of human beings to be spiritual and see things inclusive of the longer term. But to do this in a practical way – and once again, as a former politician, I’m biased – we have to capitalize on the energy and power of companies. We have to ask our civil societies to be accountable and to work transparently and with inte-
grity. If we can manage to do that, we can bridge the gap to a spiritual, inclusive approach. And that, with the question my Anglo-Saxon friend put to us in mind, is practical.

Geoff Mulgan:
I would like Your Holiness to have the last word. But just before bringing you in, I would like to make three very brief comments on the discussion.

The first is that the founder of modern economics, Adam Smith, wrote *The Theory of Moral Sentiments*, about compassion and sympathy, before *The Wealth of Nations*. We need to reintegrate ethics and economics; they have become divorced unnaturally.

Second, businesses around the world are accumulating more power, not only, I think, because they want power, but often as a by-product of the search for markets and profits. But with that power must come new responsibilities.

And third, we have a new economy which is creating new inequalities and divisions as well as opportunities, which make it incumbent on governments to find new ways of including people, and incumbent on us individuals to exercise compassion. But above all, it’s vital that as the world becomes smaller we don’t also develop smaller minds, shorter attention spans, and smaller senses of responsibility. And what I think this evening is about, and much of your teachings, Your Holiness, is how we get a bigger sense of our self, our place in the world, and our place in time.

I hope you will give us some final thoughts, Your Holiness, to take away with us this evening, coming out of the conversation.

The Dalai Lama:
I’ve nothing to say… Except thank you! I really enjoyed it. Thank you very much.

Perhaps just one thing… I found that all of you who spoke simply expressed what you feel. I think that’s very important. Sometimes in these meetings people make some sort of nice statement or speech, but you’re left wondering: does that person really feel like that or not? That’s not much help. In this forum we’ve been discussing some of the problems and challenges that we face, things that nice statements alone won’t solve.
We need a sense of commitment, and then we need to discuss matters seriously, sincerely. So, I found that kind of atmosphere here, and that makes me very happy. Thank you.

Speakers

The Dalai Lama, His Holiness the XIVth Dalai Lama, Tenzin Gyatso, is the spiritual leader of the Tibetan people. In 1959, a few years after the Chinese invasion of Tibet, he was forced to flee his homeland and seek asylum in neighboring India where he has since lived. In 1989 he was awarded the Nobel Prize for Peace in recognition of his non-violent struggle to liberate Tibet, and in 2008 he received US Congressional Gold Medal, the highest civilian honor in the US. His simplicity and friendliness move everyone who meets him during his lectures and travels around the world. His message focuses on the importance of love, compassion and forgiveness. This message of universal wisdom and responsibility with regard to everything that lives is translated by His Holiness into practices of inter-religious co-operation and responsible dealings in business, government and other walks of life.


Hazel Henderson, Author of Building a Win-Win World and five other highly acclaimed books, and consultant on sustainable development.

Ruud Lubbers, Honorary Minister of State and former Prime Minister of the Netherlands (1982-1994); former UN High Commissioner for Refugees; Commissioner of the Earth Charter.

Geoff Mulgan, Founder of Demos, author and visiting lecturer at the University of Westminster. Former adviser to Prime Minister Tony Blair.

Wessel Ganzevoort, Professor of Economics, University of Amsterdam. Former chair/partner KPMG Consulting.
Henk van Luijk, Former Professor of Business Ethics at Nijenrode University; Founder of the European Business Ethics Network.

Fred Matsier, President of the Fred Foundation; Director, SOFAM beheer BV; humanitarian dedicated to a more functional society.

Stanislav Menchikov, Economist; author of The Compassionate Economy; Professor of Economics, Russian Federation.

Hans Opschoor, Former Dean, Institute of Social Studies, The Hague; author, economist.

Marcello Palazzi, Founder President, Progressio Foundation, a Catalyst, Connector and Do-tank in pursuit of ‘Progress through Enterprise’.


Sander Tideman, Former international banker; co-chair and co-founder of Global Leaders Academy; Senior Fellow Garrison Institute.

Eckart Wintzen, Founder President, Ex’tent BV; founder and former CEO and Chairman, Origin.

His Holiness the Dalai Lama and his translator on stage with Ruud Lubbers, Geoff Mulgan, Hazel Henderson and Jermyn Brooks at the Compassion or Competition Forum in the Nieuwe Kerk, Amsterdam.
His Holiness the Dalai Lama speaks to its audience.

His Holiness the Dalai Lama in close-up, making something clear to his listeners.
Introduction

After the first public dialogue on business and economics with H.H. the Dalai Lama at the Compassion or Competition Forum in Amsterdam in 1999, many more meetings were held on the topic of aligning business and economics with values and ethics. In 2001 the American businessman Anders Ferguson approached Sander Tideman and Marcello Palazzi, who had created the Amsterdam forum, to join forces and to bring the dialogue started in the Netherlands to a global level. Together they created the Spirit in Business Conference in New York, in April 2002.

In the post 9-11 era the choice for New York was significant: it was the meeting point of two extreme opposites of globalization: global capitalism and global terrorism. The Spirit in Business conference turned out to be a highly impactful event. It featured thought leaders like Peter Senge, Daniel Coleman and David Cooperrider, spiritual leaders from all traditions and more than
600 business executives (from 35 countries) who convened over three days in Manhattan. It became the seed of the Spirit in Business network, the Spirit at Work Award and the Global Leaders Academy. Two more global conferences were held, in San Francisco (2003) and Zurich (2004) as well major regional meetings in Sao Paolo, Bangkok, Vienna and Irvine, California.

This last meeting, in Irvine in April 2004, was perhaps most special, because we were again joined by H.H. the Dalai Lama, who this time had agreed to meet with 115 international business leaders we had gathered at the University of California, Irvine, to continue the conversation on the intersection between competition and compassion in today’s global economic environment.

The meeting was convened in association with the University of California in Irvine and moderated by co-founder and co-chair of Spirit in Business, Anders Ferguson. The transcript of the meeting is printed verbatim below.

Anders Ferguson:
Thank you, Your Holiness, for taking this time to continue this discussion about compassion and competition and an economy that works for everyone. There are 115 of us that have come here today; fifty people got on planes, several people came from Europe, others came from South America, and they represent all parts of the business community and the academic community. I think it’s quite a tribute to everyone here that they took the time to look at such a big question. Your holiness, would you care to make some remarks about the overall question of designing an economy that works for everyone?

The Dalai Lama:
Since some 40 years ago I have had a keen interest in global issues. Of course, I’m not an expert, but as a Buddhist and a monk, I pray for all sentient beings, wherever they are, and that also includes the limitless galaxies of the universe. But on a practical level, this doesn’t help much for our immediate concern is our own planet, isn’t it? So, when I first came to Europe in 1973, I expressed the idea that we all need some sense of global responsibility, a sense of universal responsibility, some kind of global ethics. This is not meant as a religious thing, but as
something practical: we need to be thinking about the whole world because we are part of the world. If there remains peace and prosperity in the world, we will all benefit. If the world faces more problems, including damage to the environment, then there is no hope for one’s own bright future. Initially I thought deeply and engaged in dialogues about issues of science and technology, where I could immediately see the important role of values such as compassion. But business and economy were areas where I felt it was quite difficult to see the role of ethics and compassion. The connection didn’t seem that obvious.

We have witnessed the socialist systems in the world. They sounded very nice. They said that these systems were in the interest of the majority, and the working class people and needy people. But then time passed. The socialist economies weren’t very successful, whereas capitalist, market-oriented economies were very successful. The latter had a dynamic force caused by a sense of competition that was lacking under socialism. So competition, as a feature of the capitalist system, is very necessary in order to stimulate individual initiatives. So it seems that competition, sometimes even ruthless competition, is actually working! [Laughs] But then over time I began to see other things. Eventually, at the Compassion or Competition meeting in Amsterdam, Holland in 1999, I met quite a number of business people who showed a genuine interest in ethics and values. I spoke to some individuals who were working in big corporations, who were really showing interest about social values and some were even interested in meditation. But I’m not very sure what was behind their interest about meditation. The idea that meditation and values may just be for better business initially shocked my mind. It seemed some people were interested in developing a sharp mind guided by ruthless competition! [Laughter] But of course, I don’t know if this was the case. There may well have been some other, more positive motive. In any case, I see more and more people now showing interest in spirituality.

Recently I met a business consultant who works with many big companies, who understands that we Tibetans are at an initial stage of our own economic development, with different condi-
tions. He has given advice and training to Tibetan business people. But there are also big corporations who disregard social and development needs of disadvantaged people, and their actions have led to disaster. These problems come from a lack of social responsibility, from a lack of moral principle.

So, I am glad to see that in the business world, values and ethics are now more important. Many companies are very much concerned about creating and keeping a positive image, their reputation. So, more and more companies are now showing some kind of moral responsibility. And that’s good.

I really appreciate that now, here today, there are many people who are connected with business and who actively work in the economy, and are showing concern about some of the drawbacks of modern business. We also notice the growing gap between rich and poor. We have seen that Marxism and the socialist system generally have failed. But now we can also witness that the market economy or the capitalist system, has some negative consequences too. For example, in modern China and also in Russia there is a huge and growing gap between the rich and poor people. And also in India and Brazil, the other large developing countries. In America, the richest country, as you know, we are seeing the same thing. One time I observed that in Washington D.C., the capitol of the richest country of the world, there are also many poor people. And because of economic disparity between these poor families and others in the community, they are mentally unhappy. As a result, there is also more violence and more crimes.

And then even among those from a rich family, there are also victims. Of course, if someone is hurt as a result economic disparities within a community, the community is not very healthy and not a very happy one. So, this gap between rich and poor must be reduced. Just thinking about profit, money and earnings only, and without hesitation exploiting things for your own benefit, that is not good. That must be reduced, it must stop.

How can we do that? Not by regulation or law. Some countries do that, but the effect is limited. Like any discipline, if discipline is
imposed by force, in the long run it will not succeed. Instead, we need self discipline, voluntary discipline, based on knowing the long term consequences of our actions and then deliberately refraining from these actions. Realizing that even though there may be some immediate benefits, if the long term results are no
good, we should stop these actions. Self discipline is not sacrific-
ing one’s own interest; in fact, it is aimed at protecting your long term interest.

Some companies do seem to operate like that. I like the case of airline companies. In airplanes the air hostesses always smile and when in India, where the plane is very often delayed, sometimes one hour or more, they announce that they very much regret that delay. Actually, I don’t think they have any regrets. So why do the hostesses do that? To bring more customers back. If they were to say, I don’t care about the delay, the customers will complain and may choose another airline. Likewise, if you look at shopkeepers, although their main interest is profit, they know that the proper way to do that is not by force, but by smi-
ling or some friendly attitude? This may be for self interest, but they have to show that they care about others. That’s the human way.

In order to protect one’s own long term interest, including preserving a good image and bringing more satisfaction to custo-
mers and also to society, business people are taking care of their employees and customers. And some are also taking care, seriously, about all the long-term negative consequences of their actions, including those affecting the environment. In the long run, it is in the company’s own self-interest to care about others – essentially, taking care of us all is in one’s own interest. I think, through awareness of all this, we can develop a certain discipline. I think that’s possible.

All these things are part of education. Through meetings like this one today, we can shed more light on the importance of moral ethics in the field of business. I am very happy to have this kind of meeting. So, thank you.
Anders Ferguson:
In that spirit, Your Holiness, we’ll ask the people in this room to bring their expertise forward.

Bill George:
Your Holiness, the theme of this conversation, Cultivating the Heart for Leadership, is a subject that has been my passion for a long time. As you are well aware, in recent years many corporations have failed. In the process so much economic value and so many jobs and lives have been destroyed that our media has dichotomized the leaders of these failed companies as bad leaders. However, in studying them closely myself, I’ve come to the conclusion that these people didn’t set out to do evil things. Most lost their way en route to the top by seeking external gratification – money, power, titles, status and prestige. What the leaders of many failed corporations never developed in all that rush towards success was what you might call an inner life – they failed to cultivate their hearts. As a result of this, one of the things we’re trying to do with talented young leaders today is to start them early on a path where they understand that their lifelong development as leaders is parallel to the development of their inner life and cultivation of their hearts. If you agree with this premise, what would you tell young leaders to do today to prepare themselves for their significant future leadership responsibilities?

The Dalai Lama:
My view is that it is not simply a moral issue. I believe, whether it’s in the economy, or politics or education, we need to carry out all human activities with human feeling, because everything in reality is interconnected. All the books young leaders read about politics, economy, religion, education and so on – even if they address specific topics – are all meant for humanity as a whole. Taking the holistic view, even in your specific field of business and the economy, is best. Economics means dealing with humanity, and the situation of humanity is always changing century-by-century, year by year. Once they understand that reality is constantly changing and that everything is interconnected, leaders begin to realize that they have to keep the consequences of all their actions always in mind. Although a leader may get some immediate economic profit in a particular case, there may be
other important side effects that weren’t considered. The broad minded perspective and the more holistic view, which can see reality in its totality and understand the longer term effects, is essential for leaders today.

For example, I’m a religious person, a religious practitioner. I am a Buddhist but I also respond to non-Buddhist and non-religious people who ask me for teachings and explanations. When I am explaining something, I try to keep in my mind if my main audience is Buddhist or not, religious or not, and then I adjust my teachings accordingly. If I only look at my Buddhist interests, I may actually be in conflict with my other aim of promoting religious harmony. So, although I’m engaged in explaining Buddhism to certain people, at the same time I have to keep in my mind the implications for other, non-Buddhist people. If you just think about your own religion and nothing else, then – although your motivation may be sincere – there could be some undesired consequences. I know that some religious people, Christians for instance, speak about their religion very sincerely and with great enthusiasm, but if they only speak from their own specific religious perspective there can be negative consequences. So, that is my view with regard to business leaders as well. Reality is so complex, so interconnected; we all need a very broad perspective.

John Graham:
Your holiness, my mantra lately has been “trade causes peace.” And, of course, I’m not talking about the weapons trade, I’m talking about the principle of trade. My question for you is, does trade cause peace? Is trade good? Since you’ve had former lives, can you talk about the historical view as well? [laughter]

The Dalai Lama:
Most probably in my many past incarnations I was involved in a specialized field, not in trade. I think if I were to get involved in business, probably I’d end up creating more debts for the company [laughter], which indicates that in my previous life I was not familiar with how to make a profit! However, I do think that trade, particularly in modern times, is a very important channel for communication with other people. Generally speaking, trade is something that benefits the people involved – it is a mutually
beneficial exchange. So, in that way they obtain a closer understanding of each other. They become friends, and that’s the foundation of peace, isn’t it? Personal contact is very, very, very crucial. And that is one way for the removal of fear or doubt, so I agree that in this way trade can help create peace. But if you use trade to secure other interests, then it is a different question, isn’t it? In some case trade means exploitation. The stronger party may exploit the weaker one. And that creates more division, not more peace.

Barbara Krumsiek:
Your Holiness, I’m grateful for this opportunity to be here with you. I run a company as a CEO that invests in companies that not only will deliver financial returns, but also operate in a way that is conscious of its impact on workers, on the environment, and on human rights matters. We call this socially responsible investing, and my wish is that this type of investing was more common. It is not. It is a very small piece of the total financial industry, probably 2%. One hope is that in an economy works for all, we’d have more awareness of this kind of investment strategy. How do we balance the short and the long in a business sense to really encourage more investment and commercial enterprises to think more long term? Or can significant change only be done through individual ethics and will?

The Dalai Lama:
That’s a difficult question. Perhaps, while you are looking at the immediate benefits of a decision, you can also try to constantly analyze possible side effects, considering the long term consequences, which are often very hard to predict. I suggest you broaden your perspective. As a commercial enterprise, you have to take into account the need for immediate returns that the shareholders expect you to bring. But as a socially responsible business, the added dimension is to constantly bear in mind what kind of long term impact your business activity will have overall. Within your enterprise, you could probably have a separate wing whose responsibility would be to really look into this long term impact of the company’s activity.
Barbara Krumsiek:
If I may follow up, perhaps that could be something we could ask of the companies we invest in. Where is that questioning going on in their enterprise? So then the longer term thinking will ripple out.

The Dalai Lama:
The one thing that I do notice now is that even within the business world more and more people seem to be at least talking about the ethical dimensions of business, and there is also a greater awareness of the global dimension of business activity. It is just the beginning, but I think the trend seems to be moving in a positive direction. So just like you, others should put more effort into this trend. That would be very good.

Brian Arthur:
Your Holiness, we have had an extraordinary successful two to three hundred years in the western economy due to the discovery of new technologies – everything from better plows to textile machinery to cures for diseases and ways to diagnose disease. So, in a sense technology has given us an enormous amount of things, including much longer and healthier lives. What can we expect now? We are starting to intermingle what’s good with areas that are very powerful, but we’re not quite sure they will be beneficial to us. My question is, ‘How should we think about technology in the long run?’ We’re entering a very new era with enormously deep possible benefits. But things can possibly go wrong, and there are some things, like genetic technologies, that may be blurring our sense of what it means to be human.

The Dalai Lama:
My personal feeling is that if you look at the evolution of human society in a kind of broad sweep, certainly there is a natural evolutionary process, and progress which would have occurred in some sense anyway. Of course, there is a level of human effort and human skill and human knowledge, particularly combined with human technology, which has brought about a much faster pace of development. But even with that kind of technological development there are certain limitations because there will be constraints due to the natural laws in the physical world. So, even in the new age of genetic technology, this pattern will
probably remain the same. But one thing that I think is especially important in this new genetic technology era is to be even more vigilant about the possible long term negative consequences of this technological power.

I believe that technology, like any human activity, is connected to the benefit of humanity. So, if we keep the benefit for humanity in mind, we can then act accordingly and experiment with these things. Of course, today there are many things that we are using for the first time, so the longer term consequences are not yet known. For some people, if they are warned about possible future consequences, they feel this is unnatural, this is too extreme. But after one century, maybe that negative consequence has happened and has become something normal. You see, I feel possible negative consequences are there by nature, so unwanted things can happen. Ultimately you have to accept the path of the natural law. In the meantime we can use our ability of investigating the possible future effects to improve our understanding of a particular aspect of nature and help us make wise decisions.

Mark Thompson:
Thank you very much for being here, Your Holiness. I’m here as a messenger today. When I was in Zimbabwe I met a little girl named Shona, five years old. She had been orphaned a year earlier and had lost her parents in the violence in Zimbabwe. And I went to visit her classroom and her teacher was talking about leaders for peace. Mandela, Carter, His Holiness. And I spoke a bit about some of my work with Jimmy Carter and Mr. Mandela and I said I looked forward someday with great expectation to seeing you, Your Holiness, at some point in the future. And at that point this little girl, Shona, sprinted to the front of the classroom and tapped me and pulled me down until I was on just one knee so she could look me straight in the eye. And she said, “I know all about the Dalai Lama. He brings a message of peace and I want you to give him this gift.” And I said, “Shona, I don’t know if I would ever have an opportunity to deliver this gift and frankly you shouldn’t be giving us anything. We should be showering you with gifts.” And she thought for a moment and said, “That sounds like a really good idea.” [Laughter] So, I was still down on one knee at this point and finally I connected what she
gave me, which was a Shona sculpture. This is wonderful art that you find throughout Africa, particularly east Africa and Zimbabwe, and since this little girl’s name was Shona, I was beginning to think this was not an accident. And she told me that her mother used to tell her that her love and her heart was stronger than this stone, and that anyone who commits their life to peace should have this. I wanted to give it to you today….from Shona. [Applause]

[He gives the beautiful sculpture to His Holiness.]

The Dalai Lama:
Thank you. I would like to give a scarf for the girl, for Shona, that you have to deliver. [Laughter] [His Holiness carefully knots the scarf and explains what he is doing.] This knot symbolizes bond and a friendship.

Mark Thompson:
Thank you so very much. And now you’ve raised a question I must leave with you. It is very difficult and dangerous to return to Zimbabwe at this time, particularly as an American business person and journalist. I would appreciate, on behalf of all of us here, how you would counsel us to think about the best way that we can form a better bridge, a more sustainable and consistent form of support to people in countries where American business people are more unwelcome than ever before?

The Dalai Lama:
I don’t know. It’s a difficult question. But if we divide the world in different parts and treat them differently, whether it is Asia, Middle East or Russia, then we lose a great potential. Now as far as Africa is concerned, it is a huge continent. No doubt it has real potential. But unfortunately, I think people there generally seem to lack self confidence. I have been to South Africa twice. One occasion I visited Soweto Township. I went to visit one family, where I learned something important. The family members and friends all joined the meeting. One was introduced to me as a teacher and we talked about Africa. As you know, South Africa recently became a democratic country, where legally speaking white and black people have equal rights. However, the teacher told me that this is just according to the Constitution; only on paper they are equal. I told him, this is not sufficient;
the people must also work hard with self confidence. Then he responded: "We cannot be equal with white people because our brains are inferior." When I heard that I felt very, very sad. And I argued with him: "That's incorrect, that's not the case, that is only your imagination!" Then I explained about my own situation. Sometimes some Chinese consider Tibetans as an inferior ethnic group. But since we became refugees in a free society as a result of our own hard work, we have shown to be equal to Chinese and others. In other words, if the opportunity is there, there are no differences. After my lengthy explanation, he said that he was now convinced we have the same potential. At that moment I really felt a tremendous relief. At least one person, a teacher moreover, had gained a new sort of self confidence, a new spirit. I felt happy that I contributed to the transformation of one person’s mental attitude. This is one example of what we can do.

At another occasion, I visited Gabon. There I noticed that within the country there was another big gap, between the Western educated elite and the Muslims. With such a big gap these societies cannot transform. In India I used to tell my Indian friends, "Real transformation of India must take place in rural areas, in farm land areas. Then India will transform." Developing just a few cities is not sufficient. This applies to China as well. I remember that in 1955 I was in China for about 10 months. On one occasion as part of my visit, we toured the city of Shanghai and met the mayor (who later become foreign minister). One evening he told me that he is not interested in the further development of Shanghai. His main interest was the rural population in the country. I remember this conversation very clearly. My main point is that we need to educate the large masses of poor people and give them self confidence. You can give them technology or financial assistance, but this will not be enough. It must also come from them. They need to develop their own initiatives. In that way and through more education or more training, and then through earnest effort, they can gain self confidence. This is my feeling. And I think this applies to all human beings; if you really treat them with sincerity and care, they will respond. This even applies to animals. They will respond to care and attention.
Terry Pearce:
I wanted to ask a very simple question. We had a lot of very complex issues that we’ve been discussing, but my thought is very personal. Given our common objective here, how should I live my individual life?

The Dalai Lama:
I think in order to answer that question first I should know what your background is? And what is your usual habit or way of thinking? Even then, I do not have a full answer. In any case, generally we, each individual, want a happy life. It is something we deserve – to be happy. That is our right. But our respective circumstances are different. We humans are social animals. If you are businessman, then, of course, today you operate in a world where national boundaries are not important anymore. You know now that everything is interconnected. Under those circumstances, I believe that a compassionate attitude towards your friends and towards strangers that you meet, and even towards your own enemy, is very useful. This compassionate attitude really gives you more inner strength, more inner peace. I think that will be of tremendous help to boost your potential of facing the challenge of working globally in a changing world.

Likewise, if you have a family, I would suggest that you bring up your children in a more compassionate way, not only focusing on giving them good education but also on developing their spiritual qualities, like their compassionate attitude or kindness. Then you can learn to extend this compassionate attitude to your neighbors, and beyond. I think every single one of us can do this. The long term transformation of a society must be carried out by individuals. Transformation of a society by government or law is difficult. It has to come from individuals and their families. Within a family someone must take the initiative. From this the transformation of other family members can happen, then the neighbors, and so on. It is natural that within families and among families there are some disagreements. Some will enjoy music, but some others may feel the music is too noisy. That is natural; it is part of human life. In spite of these differences or conflicts, we are still part of the same family. That reality is not changed by the conflict. Though we may have different individual interests, we do share a common interest as
members of the same family or community or even humanity. If we consider our common interests as top priority, the little differences are secondary and we can overcome them.

But we usually approach it in the opposite way. Our little differences become top priority. We forget about the sameness of our human nature. I feel that this also applies to the religious field. We should consider our humanity as the top priority. Religious faith and religious differences are secondary. Again, we often do the opposite. But I think that considering our common human interests is the proper way to promulgate human compassion and promote world peace.

Peter Miscovich:
Your holiness, it’s an honor to be here today. I work for a large consulting organization and we help organizations transform themselves. My question to you today is how do we expand and have these new spiritual concepts become embedded in global organizations and what do you recommend in terms of organizational transformation for people to embrace these new concepts?

The Dalai Lama:
Any of the panelists like to respond to that? [Laughter] At this point, I think you, the other panelists, will have more experience.

Barbara Krumsiek:
I would just quickly say that I think there are two elements to transformation. There’s the leadership and then there is every person in the organization. I don’t think transformation is possible without both of those elements being in alignment. Leaders have to be able to set the tone and be able inspire every individual – in some sense, everyone has to buy into the transformation. I think the harsh reality may be, as His Holiness has said, that if some people will not buy into the transformation, then maybe they don’t belong in the organization.

Bill George:
I agree with that Barbara. I think organizational transformation has to go throughout an organization. You can’t take a factory within a company or a division within a corporation and trans-
form it. The key is common mission, people coming together around a common sense of purpose. And it can’t just be a set of words. It has to have real meaning that’s felt deep inside, and a common set of values so that people can develop trust. And then it has to be tested in the crucible. It has to go through the refiner’s fire. In other words, it has to go through a difficult time when things are not going well. And if the organization stays true to its purpose and its values in that difficult time when say the market share is going down, they’re losing business, the economy is bad, some key people quit, that will be the test. And, if the leadership then goes in a different direction, and says, “Oh, now we can’t stay true to our purpose and values, we have to do this because things are tough,” then it will be lost forever. You are better off not to start the transformation in the first place. So, the leadership has to be fully committed, knowing they will be there when times are difficult; because if they’re not, then there will be just a cynicism in the organization. So many leaders try to start these efforts because they think it is a good thing to do, but they haven’t really thought through the whole process and aren’t prepared to stay committed through very, very difficult times. They don’t ask, “Will I admit I was wrong? Will I prepare people for these difficult times?” Because we’ll all hit them. And if they don’t do that, it won’t work.

Finally, I think we have to recognize that leadership in a transforming organization must exist at all levels. People on the production line, people serving the customers, people in the finance department, everyone has to lead and the leader has to be out with the people. If the leader is in Wall Street at security analyst conferences, it will all fall apart. And then, the organization needs to say very clearly what it stands for to the outside world so that it will have a buffer – an understanding on the part of people like Barbara Krumsiek who say, “This is what we stand for. And if we go through difficult times, we’re asking you to stay with us because we’ve stayed true to our mission and our values.” So, that’s the only way you can have long term transformation.

It takes about five years. If you’re interested in six month transformation, forget it. You’re just trying to impress the stock mar-
ket and it won’t work. It takes five years because you have to go through difficult times before people believe you. So, if you’re serious about it like an IBM has been very serious about it, it’s going to take at least five years, and in their case, ten. And that’s why so many organizations who have attempted these efforts have failed so many times because they aren’t really serious about it. It has to be a transformation committed to and with people. It can’t just be an external transformation, the mission statement on the wall. It has to be something that goes on inside people so there’s a belief there. And that’s a transformation of consciousness. And if there’s not that transformation, then it can’t work. People have to believe that their leadership really believe in this common coming together around a common purpose, a set of beliefs and a set of values.

Karen Buckley:
My question comes from an experience that I’m having at this time of the voices and wisdom of women leaders being ever more important in our world. I’m wondering if you could speak to that from your travels and your experience and your understanding. What is the role of women as you see it, and particularly those in leadership positions over this next decade?

The Dalai Lama:
I believe basically that males and females, except some differences on a physical level, are very much the same, with the same brain and the same degree of intelligence. In some cases I think females are sharper. In any case, I think that as far as loving kindness is concerned, the tendency to care, females are more experienced. But essentially, they are equal. However, it seems that today among top leadership, be it of religious, political or business institutions, the majority is male. Perhaps this is because for a long period the women’s self-confidence was a little neglected. Now, I think things are changing. I think that discrimination between men and women is a backward sort of thinking. In ancient times, unlike the modern world, the body strength was the main attribute. So people with the stronger bodies became dominant. Now, in modern times, obviously some of the leaders are physically small, but their brains are very smart. Just with a small body they can lead a large nation or an organization. Therefore, the physical aspect is secondary, it is
not important anymore. In business man and woman are now equal. So I think discrimination is a leftover from some sort of old habit.

The important point is for women to have self-confidence, to work hard, and then they will be equal with males in society. But some feminists are a little extreme. It seems as if some of the feminists wish that Buddha and Jesus Christ should be female. That’s I think a little extreme. After all, male need female, female need male, they must go together. [Laughs]

Barbara Krumsiek:
I want to hold onto self-confidence, work hard, be equal. That’s what I heard from your Holiness and I agree with that. But I also do think there are some structural impediments that perhaps flowed from these historical or ancient differences that have resulted in some actual structural barriers. An expression that had been used in business is the glass ceiling, getting close but not getting through. So, I know our own efforts at Calvert Group the dialog with companies we invest in is focused on board representation, and we have dialoged successfully with several companies. We have written to 650 of them and requested that every time they search for board members, these searches should include women in the pool of candidates, just as they would in their senior executive searches. It isn’t sufficient to have one woman and 12 men; every search should include diversity of both women and minorities. We’ve drafted language that Boards can adopt for their nominating committees so that their structure can be more inclusive of women and get the equality that we think is appropriate.

I just might add one thing. Correct me if I’m wrong, but one of the things we see if we look across professional schools is that the majority of law students and medical students now are women. That’s not the case in business schools. I think we have some extra work to do in the field of business.

The big issue with business really is somewhat different. Today among professional people we’re in an era of two career families and we need to reshape the corporate workplace to take that into account. And we haven’t done that yet. Yes, I agree that women
in significant positions throughout the organization bring an added dimension to the workplace. I think that’s a very healthy environment. But the number one issue for all the young people I know in their 20’s and 30’s is, “Can I have a successful career and a successful home life, family life, personal life?” That’s not just women speaking. That’s men too. So many of the careers are still set up on the old male model of career development. We need a new model of thinking about careers and how to integrate it into successful corporations so that they can be competitive in the world. I think in the future both men and women want to go to work for companies that offer that kind of environment. But it’s a big issue right now and we haven’t got those models developed yet. We need to get about those developments now.

*The Dalai Lama:* Yes, I think this is very important, because it would then be applied to all the employees who would seek employment with the company.

*Barbara Krumsiek:* Exactly. Many corporations are saying, particularly professional women, we expect your employees, Barbara, to work 80 hours a week. And I know women that are trying to raise two children and work 80 hours, it’s just not possible. Unless you have a husband at home taking care of the home tasks, I think we need to rethink the balance in our lives. And frankly, we’ll get better leaders, and we’ll have healthier organizations if we do that, because in the end, people will have much more loyalty to the organization, much more commitment and you won’t have these high turnovers and you won’t be faced with the ravages of what happens if women exit corporate positions.

*David Cooperrider:* Your Holiness, it’s wonderful to be with you again and the message in this book about ethics for a new millennium is very important and has inspired me in your call for a radical reorientation toward the other. Last time I was with you, we were in Jerusalem with a small group, Muslim, Christian, Jewish, Buddhists and I felt that radical reorientation when you took us all with great respect to the Jewish wall, and we prayed and meditated together, and then to Christ’s tomb and prayed and medita-
ted together and then to the Dome of the Rock and prayed and meditated together. So, I thank you for your leadership and example for that radical reorientation to the other. I really also want to thank you for this kind of conversation with business leaders. It’s so important today. I’m a management school professor and I think we have a real opportunity to take action today, to move from a dialog like this and to take some action.

I don’t know if you know it, but in the United States over a million students a year are trained in our management schools. And these are the people coming out that are going to be making billions of decisions every day on behalf of the planet. The Aspen Institute, a great leadership development institute, wants to create a positive revolution in management schools and they’re calling all of us to think about reshaping education in management schools and create a tipping point of change towards a radical reorientation of the other. If you were part of that committee advising them, what does the management school of the future look like? If anything imaginable was possible in terms of our curriculum, in terms of our teaching, how do we really create leaders with heart, the kind that create this spiritual shift that you’re talking about?

The Dalai Lama:
I’m not expert on management. To be frank, I feel I myself am not a good manager. If I were to manage something, it would end up in chaos. If you come to my room, everything is very untidy. [Laughter]

You have more experience and I leave it to you to make suggestions as to what should be improved in business education. But I feel, this sort of growing enthusiasm on the basis of realizing that something is not satisfactory, wanting something to change, I think that is very good. Usually we take things for granted and go on according to tradition, in spite of some drawbacks. That is a real failure, which is preventing progress. But this enthusiasm, saying that something is wrong, is the first step to lead towards transformation or some positive change. Then we need more discussions, more research, and more experimentation. Then we will find answers.
Brian Arthur:
I think we’ve taught students how to do managerial finance and we’ve taught them economics and so on. We’ve taught them a lot of things in business schools. We’ve taught them, particularly, to look out for the bottom line, to make profits; but there’s one thing I think is worth teaching students and that is to ask a simple question. How can I serve? And when I joined the company or when I run a company, how can that company serve? What I see is missing that may not have been missing a hundred or more years ago is just a simple pride in what companies produce.

I had the good fortune to know a wonderful man, Ernesto Illy, who produces coffee; he’s an Italian coffee maker, a really wonderful man, and he’s the CEO of a pretty successful company. Best coffee, I believe, around. But what I noticed in him that seems to be missing a lot is just a simple pride. He knew every bush, every tree in Ethiopia where the coffee came from. He cared about the coffee. He cared about the product. So, it wasn’t, “Let’s think about the customer; let’s think about the community.” It was a simple thing. “My goodness, I am so proud to be producing this and isn’t this coffee wonderful?” So, if we can teach our students simply to serve and take pride in what they do, that would be great.

I was in China about four years ago standing in line waiting for a flight and the fellow in line in front of me and I started to talk. I asked him what he did and he told me he was a sales manager for ABB. He asked me what I did and I said I teach international business. And he said, “There’s no such thing as international business. There’s only interpersonal business.” And that was a very wise answer. But the point is that the people in business schools may need to work hard on this too.

For the past 15 years, we have been selecting MBA students for their IQ and training them about how to manage with their heads. I think that we need to select people who have leadership capacity as evidenced by their emotional intelligence and their hearts and then teach them how to lead with their hearts. We’ll have far better people coming into the business world had if we
can tap into the whole person. Much like in medicine, we teach doctors how to treat disease rather than how to heal people as a whole person.

_Betsy Denham:_
Your Holiness, how can we as an audience today take the words that you’re teaching us and become change agents, either locally in our own organizations, or carry the message beyond? So it’s more than just today, but something we can do 30 days from now so it’s measurable. And at that point, how will we know that we’ve actually seen a change from our actions?

_The Dalai Lama:_
Of course, it depends very much upon the individual circumstances. Among the participants here, there might be individuals who will have the capacity and also the opportunity to immediately implement many of the suggestions that have come up through the discussion here. However, there will be individuals who, even though they may share the views, may not have such ability to immediately implement them.

I myself am included in the second category. I share all the views that have come up here, but the only practical thing I could do is make prayers that these things become real. Because among the Tibetan community, the business activity is still quite poor and even among the Tibetans who are living in America, I have hoped that there would be some millionaires emerging, but so far no luck. [Laughter]

However, many of the underlying ethical questions that we have been discussing are not necessarily specifically confined to the area of business and economy, but they are something that needs to be immediately applied in the context of one’s own individual life, family life and community life as well. So, in the case of your second point about when would we know that we have been successful in our change and transformation, particularly in the domain of business and economy, I think that probably the media will tell us.
Anders Ferguson:
Your Holiness, we’re coming to closing. Do you have some final closure that you would like to give us at this point? Some final remarks please?

The Dalai Lama:
I really enjoyed it. I appreciate the kind of enthusiasm you all have about increasing awareness of the inadequacy of things. I think that’s very good, seeing something, and seeing that some improvement is needed, that’s a very good start. I much appreciate this meeting. This is a very encouraging sign and also, of course, it is a step forward. So, I appreciate. Thank you.

Participants

Anders Ferguson, Partner, Veris Wealth Partners and co-founder of Spirit in Business and Global Leaders Academy.

Barbara J. Krumsiek, Chair, CEO and President of Calvert Group, Ltd.

Bill George, Professor of Management Practice at Harvard Business School, former CEO of Medtronics. Author of ‘Authentic Leadership’.

W. Brian Arthur, Citibank Professor in Economics at the Santa Fe Institute.

John L. Graham, Professor of Marketing and International Business at the Merage School of Business, University of California.

Betsy Dunham, Healthcare Strategist.

Karen Wilhelm Buckley, Co-Director and Founder of the Wisdom Connection.

Peter Miscovich, Managing Director, Jones Lang LaSalle.

Mark Thompson, Co-Author ‘Success Build to Last’ and Venture Investor.
David L. Cooperrider, Professor at the Department of Organizational Behavior at the Weatherhead School of Management, Case Western Reserve University.

Terry Pearce, Founder and President of Leadership Communication, a company that coaches high-profile corporate, political and community leaders.

His Holiness the Dalai Lama speaks to his audience during the Irvine Conference, 2004.