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Edited by
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Table of Contents

<i>Introduction</i>	1
Part I. Philosophical Resources for Ethics in Economic Life	
Section I. Confucianism	
Chapter I. The Dual Economic Function of Confucianism <i>Shi Zhonglian</i>	15
Chapter II. Restructuring Rationality and Modern Confucian Values <i>Deng Mingying</i>	25
<i>Section II. Marxism</i>	
Chapter III. Value Judgements and Economic Development <i>Wu Xiaoming and Wang Defeng</i>	33
Note A: Power, Law and the Reconstruction of the Value System <i>Yu Wujin</i>	47
Note B: The Economic System and Morality: A Brief Exploration <i>Shou Dongfang</i>	49
Chapter IV. Economic Development as Self-awakening and Self-Destruction <i>Hu Zhenping</i>	55
Chapter V. The Philosophical Significance of Economic Activity <i>Yu Xuanmeng</i>	61
<i>Section III. Liberal Economic Theory and Pragmatism</i>	
Chapter VI. Tension and the Healthy Development of Society <i>Yang Fenggang</i>	69
Chapter VII. Market Economy and the Moral Theory of Pragmatism <i>Liu Fangtong</i>	89
Note C. Rule-Utilitarianism <i>Wang Xinsheng</i>	117
Part II. Horizons for the Future Humanization of the Economic Order in China	
Chapter VIII. Is an Ethics of Economic Activity Possible? <i>Zhang Rulun</i>	123

Note D: From Economics as Science to Economics as Personal: A Phenomenological Critique <i>Wang Ying</i>	135
Chapter IX. Marxism and Traditional Chinese Philosophy <i>Zhang Qingxiong</i>	139
Chapter X. Metaphysics, Culture and Economic Development <i>George F. McLean</i>	157
Chapter XI. Man's Ultimate Concern and Economic Development: A Chinese Dilemma <i>Wang Bin</i>	179
Chapter XII. From Economic Development to Human Development: Habermas's Rationalization of the Lifeworld <i>Manuel B. Dy, Jr.</i>	191
Chapter XIII. Economic Development in Western Society and Changes in the Philosophy of Science <i>Zhou Changzhong</i>	201
Part III. Ethics and Business	
Chapter XIV. Cooperate Responsibilities for Human Development in China <i>Georges Enderle</i>	211
Note E. Professional Ethics <i>Zhu Fenghua</i>	233
Chapter XV. On Economic Development and Human Moral Capacity <i>Lu Xiaohe</i>	239
Chapter XVI. Economic Development and Moral Transformation <i>Fu Jizhong</i>	247
Chapter XVII. Individual and Cooperate Missions <i>Alan R. Abels</i>	257
Chapter XVIII. Moral Development and Economic Ethics <i>Richard A. Graham</i>	271
Chapter XIX. Environmental Problems and Ecological Ethics <i>Wang Miaoyang</i>	279
Chapter XX. Economic Development and the Female Personality <i>He Xirong</i>	287

Introduction

In this concluding decade of the 20th century great changes are taking place in China. As in other regions of the world, the earlier concentration upon ideologies is giving way to the concrete work of building a stable society. In China this must be sufficiently prosperous to support almost a quarter of humankind.

Hence, the question of the economy emerges as a point not only of individual fascination, but of desperate national importance. Experiments in the South of China, as well as the enormous success of nearby Confucian cultures, show that the development of a market economy is feasible. But its impact upon the quality of life is not yet known. Indeed not only the strong earlier Marxist critique of market economies, but recent Chinese experience generate concern that the results could be seriously detrimental. The common human vices of greed and avarice, the special danger of corruption in a highly centralized society, and the displacements and unemployment generated in the process of transition are but a few of the great challenges to be faced. Some even hold the economic field to be, in principle, anarchic.

Others, however, would not despair; indeed, the people as a whole dare not fail.

What resources does China have for succeeding in this delicate transition? In 1994 when this research seminar was held there had not yet developed a body of ethics for the new economic order which then was only in the process of being born. In the context of the series of research seminars begun in 1987 by The Council for Research in Values and Philosophy (RVP) with leading academic units in China, philosophers from The Institute of Philosophy of the Shanghai Academy of Social Sciences and The philosophy Department of Fudan University, Shanghai had called for discussions precisely on this issue of philosophy and the economic order. They brought to the colloquium not a developed economic ethics, but the materials then available--classical Confucianism, Marxism and echoes of pragmatism from Dewey's visit long ago. Their goal was to discuss the relevance of these to the new economic order and to develop ways of thinking about the social and ethical issues this entailed. This is the burden of Part I of the present volume.

Second, changes which are evolutionary rather than revolutionary have notable advantages for they can build positively upon the past, its experiences and discoveries, in order to employ these in the development of truly new life. Hermeneutics would suggest that this is a reading of earlier texts from new perspectives and with new concerns. Thus, for example, attention shifts from the efforts of the later Marx with Engels to develop a rigorously scientific and ultimately deterministic view of economics and history to the humanistic and humanizing themes of the earlier Marx. These leave more place for the humanistic content of the Confucian tradition which, in turn, comes to be read in a new light reflecting the experience, concerns and commitments of a particular people. This brings broader epistemological, methodological and metaphysical issues into play. These are treated in Part II.

Third, all of this must be applied to the development of an ethics for the new economic life. Visiting scholars from other parts of the world brought exciting information and samples of work on business ethics in relation to personal meaning and social processes. Chinese scholars began to articulate from Confucianism and Marxism relevant elements as yet undeveloped. Together some components of an ethics of, and for, the Chinese economic situation began to emerge. In the process related issues from other new concerns, such as women and environment, were brought forth. This is the work of Part III.

This volume has been organized according to that threefold sequence. The research seminar was an exciting -- even dramatic -- beginning of which this book is the record; its studies are foundational for understanding the growth of the Chinese economy and the companion efforts needed in order to make it humane and humanizing. Let us look at the sequence of the studies greater detail.

Part I concerns the resources available from Confucianism, Marxism and pragmatism. These are presented both in their classical form and for their potential contribution in facing the problems of the emerging economic order. This Part traces not an adequate blue print for Chinese economic ethics, but some of the issues which must be faced and some of the resources which can be drawn upon.

In the first section on Confucianism, Shi Zhonglian in Chapter I, "The Dual Economic Function of Confucianism," begins with six often stated reasons why Confucianism is not able to provide the philosophy needed by the new economic order. But then he hesitates before the remarkable economic success of other Confucian societies. This enables him to step back from the issue of the emerging economic structures, which by definition must be new and different, and to look at the broader and more properly philosophical and ethical issues in terms of the goals of life as the broader context for present economic activity. Whence comes the assiduous, trustworthy and benevolent culture required for confident and hence continued interchange of goods and services? In these terms the Confucian philosophy of life emerges as an essential context for the market economies of Asia.

Chapter II by Deng Mingying, "Restructuring Rationality and Modern Confucian Values," studies the basic character of Confucianism and its potential for providing a value horizon in response to the modern tendency to give primacy to instrumental rationality.

Section II of Part I is concerned directly with Marxism and its focus upon economic production. Chapter III by Wu Xiaoming and Wang Defeng, "Value Judgements and Economic Development," is concerned that economic and technical development not be interpreted in an idealistic light and advances the need for concrete historical content in order truly to engage the problem. The authors see the contribution of Marx as providing

not only a value standard as a social ideal or destination, but also an interpretative program as the embodiment of the standard and a practical program as the reality of the standard. Thus, the fundamental principles of this theory (not its details on particular issues), not only form value judgements on economic development, but also claim theoretical and practical concreteness for their value judgement. This means that any value goal or social destination must embody the concrete socio-historical reality.

Chapter IV by Hu Zhengping, "Economic Development as Self-Awakening and Self-Destruction," describes the Marxist analysis of history in terms of economics. Although a progressive self-awakening, it unleashed as well forces of self-destruction. The chapter notes that in the end Marx turned to a material solution based upon an increase in the level of production: "Usually it is forgotten that Marx's theory takes the development of productive forces as its basic premise and final conclusion." This has been noted in *Knowledge and Human Interest* by J. Habermas who regrets it as an abandonment by Marx of the most humanizing aspects of his philosophy of social development, namely, its attention to self-awareness and self-responsibility.

Chapter V by Yu Xuanmeng, "The Philosophical Significance of Economic Activity," points up this impact of economic activity: on the relation of man and nature (ecology); on the essence of man -- which now, however, must be understood in terms not of a natural state, but of civilization and culture -- and on the meaning of human life, especially in terms of social norms. Nevertheless, Marx's earlier humanizing concerns remain in play and the fascinating -- and unfinished story for China -- is how the abstract economic and the concrete and more properly humane factors interact. Much of the ethics for the Chinese economic order promises to be written in terms of this interplay.

Section III of Part I on the philosophical resources for an ethics of economic change concerns the liberal economic theory of Max Weber and pragmatism.

Where Marx stressed the elements of unity and community, liberal thought focused upon individuals and the tensions generated by their clash of will. Indeed, it saw tension as the key to progress. Chapter VI by Yang Fenggang, "Tension and the Healthy Development of Society," studies this in some detail. But the tension this generates also destroys and suppresses people and classes, as Marx observed of the textile industry in England.

Pragmatism was in part a corrective effort to place at the center the person rather than the blind hand of the market. It did this by starting with human goals and thinking in terms of their achievement. This received great impetus from the extended visit of John Dewey to China at the time of the 1919 New Culture Movement. This is expertly treated in Chapter VII by Liu Fangtong, "Market Economy and the Moral Theory of Pragmatism". This chapter situates pragmatism in relation to classical utilitarianism as the philosophy proper to the theory of the market by Adam Smith, Jeremy Bentham and others. He is careful to protect this against the charge of idealism by citing its recognition of the objective reality of the world, though this reality is considered not in itself, but only from within the human perspective. The focus of pragmatism is on benefitting human life; consequently it is marked by deep social concerns. However, as the chosen means for implementing such concerns is science in an empiricist sense, the goals tend to be external projects rather than the inner transformation of the human person.

The chapter acknowledges that this tends to render the theory, though deeply humane in intent, impoverished in attending to the special character of human life. This reflects a theological position regarding human fallenness, which basic individualism sees people as self-centered and fiercely competitive. Ethics then becomes the task of elevating what is decidedly poor material. Ultimately, justice, equality and sociality are compromises of authentic freedom; they become good intentions to save us from our real selves. But is this enough? Indeed, in the 1940s and 1950s pragmatism was abandoned by and large because of its inability to answer the charge that its empiricist epistemology could give no justification for the ability to form the high social goals upon which all else in the pragmatist system depended.

Part II, "Horizons for the Future Development of an Ethics for the Economic Order," looks for the route along which an ethics for the economic order can properly be pursued.

The spectacular Chapter VIII by Zhang Rulun, "Is an Ethics for Economic Activity Possible?", approaches this issue in a controlled philosophical manner by turning to Aristotle's distinction between *poiesis*, whose end is outside and concerns technical action, and *praxis*, whose end is in oneself and whose norm is truth corresponding to right desire. It is in the latter that the concerns for the quality of human life must center. In contrast, to make ethics a matter of *poiesis*, that is, of appropriate action in terms of production is to subject man to machine.

It is no accident then that the ethics tailored to the economic concerns of our times ultimately are concerned not with human dignity, creative freedom, and the quality life, but with how to manipulate humankind as a function of the economy. The challenge then is not to technologize human life, but to humanize technology. For this the paper suggests that an ethics of economic life is not possible if it concerns only a specific, e.g., economic, activity which is a matter of *techné*. Ethics becomes possible only if it is focused rather on human happiness and the relation of the economic order thereto. This calls for the delicate task of sorting out the truly humanizing aspects of the resources studied in Part I and setting these within a broader metaphysical perspective.

Chapter IX by Zhang Quingxiong, "Marxism and Traditional Chinese Philosophy," approaches this in terms of the history of the thought of Marx. Despite the fact that Marx has been taken as foreign to China and hence temporary, the evolution of his thought could be seen to correspond to elements of the classical Chinese tradition. Thus, the younger more idealistic Marx looked for more radical change which correspond to the "great harmony" of the classical tradition, not simply as a practice of life but as a set of values which inspires and guides all actions. The older Marx seemed more concerned with technical and tactical adjustments in which the search for "small tranquility" might consist. A review of the three modern Chinese revolutions shows that all have been social in character with the goals of "great harmony" and "small tranquility." In this context the philosophy of the "great harmony" suggests a special primacy to the early Marx in order to humanize the economic activity on which the philosophy of the later Marx focused.

Chapter X by George F. McLean, "Metaphysics, Culture and Economic Development," relates to Zhang Qingxiong's attention to the Confucian "Great Harmony" and to the primacy given by Zhang Rulun's to *praxis* rather than *poiesis*. Both suggest a broader metaphysics of reality and cultural change. It is on this basis that the humanization of economic life can begin.

Chapter XI by Wang Bin, "Man's Ultimate Concern and Economic Development -- A Chinese Dilemma," looks for the ultimate concern or basic horizon within which the Chinese people tend to view and order all things. This he finds in the family, which augers considerable difficulty and displacement for the future due to the degree that the process of modernization has heretofore tended to dissolve the family. This will be one of the great challenges for the family-centered Chinese moral tradition.

Chapter XII by Manuel Dy, "From Economic Development to Human Development: Habermas' Rationalization of the Lifeworld," brings these issues into the broader context of the development of rationality as characteristic of modern times. This leads to the question whether a whole new epistemological development is required in order to address the problems generated by modern economic systems.

Chapter XIII by Zhou Changzhong, "Economic Development in Western Society and Changes in the Philosophy of Science," reinforces the themes of Zhang Rulun in historical terms by tracing the evolution of ethical concern from the objective order in Greek thought to the rationalist subjective order, first of principles in modern philosophy and then of practice in more recent pragmatism. It is a sign of the end of the modern period that attention now shifts to literature, art, the social sciences and, still more foundationally, to culture.

Indeed, this reflects the extent of the transformation presently underway as aesthetic concerns come to be seen as foundational and as shaping or humanizing the economic and the pragmatic. Thus, we find ourselves embarking on a new era being referred to as global, both in breadth as it opens to the broad range of cultures, and in depth as it begins to take account once again of the full dimensions of the human person.

Part III takes up economic ethics proper.

Chapter XIV by Georges Enderle, "Corporate Responsibilities for Human Development in China," takes up the task of humanizing the economic order by relating it to human development and mapping the areas of corporate responsibilities. In this the key is to understand economic enterprises as integral parts of the human community, to distinguish levels of ethical obligations and aspirations, and to determine the combination of levels of ethical response for the various areas of corporate responsibility, e.g., to its workers, to its customers, to its community, etc. This creates a dynamic sense of the life of the enterprise in which its ethical stance becomes a creative element in the success of a corporation amply conceived.

This overall schema requires a vibrant moral sense for which the previous part provided the foundations and which the sub-sequent chapters find in the Chinese tradition as well as in contemporary studies of moral development and in management theory.

Chapter XV by Lu Xiaohe "On Economic Development and Human Moral Capacity," begins from Marx's identification of the importance of economic production, but goes on to show the distinctive character of the human moral capacity. This enables her to identify what the human being is as moral and to identify the bases of moral decisions.

The problem lies not in whether humans have moral capacity, but in how to respect and promote that capacity: moral capacity too must be treated morally. The economic system in China is now in a transition from a planned to a market economy. Ethics must work out a corresponding new moral system according to the principles of economic relations which determine morality. . . . In fact, all respect those who display a high moral capacity, whether one denies or affirms the capacity, for it manifests the differences between man and animals and is the inner essence of being human. Though economic development has nourished or tested the capacity with its productions of various kinds, it does not of itself produce so noble a reality as the moral capacity.

Chapter XVI by Fu Jizhong, "Economic Development and Moral Transformation," also begins from the relation of morals to economics, but, by showing morals to be characterized by action, cultural inheritability and complexity, he is able to identify as essential the maintenance of human dignity, respect for human freedom and full freedom for the human spirit.

Generally speaking, the objective of morals in economic development can be summarized as follows; first, to maintain human dignity, and second to make social progress. To maintain human dignity means to respect human rights and freedom, to respect science and democracy, to respect knowledge and talents, to be just and righteous, honest and faithful, and to be a noble person.

It should be pointed out that in economic development some phenomena do not conform to this objective. For instance, making a large fortune at the expense of public interests, disturbing normal market competition with a view to profiteering and so on. These unjust and greedy deeds damage human dignity, injure the growth of new morals and block economic development. This immoral phenomenon must be checked effectively to prevent it from doing too much harm.

Man is a social product. Only by maintaining human dignity, respecting human freedom and giving the human spirit full freedom can we drive society forward. In economic development, morality is a question not only of theory, but also of practice. Upholding human dignity and driving society forward require that morality be unified on the basis of theory and practice.

Chapter XVII by Allan Abels, "Individual and Corporate Mission," points to the dynamic resources of human consciousness in the higher reaches of effective economic activity. Here the scientific, universal and universally available elements of management and entrepreneurship are supposed. But what is it that enables people to suffuse these with special creativity? This he finds not in the economic indicators but in a sense of purpose and mission which express one's set of values and commitment.

It might be feared that individual initiative is by nature conflictual. However, Chapter XVIII by Richard Graham, "The Sense of Justice in Traditional Culture and Economic Development," explores the development of moral capability and competency. He finds that studies in this area suggest that, on the contrary, the development of better judgement and greater creativity brings rather "a greater harmony of thought and feeling, of interest and action". If so the "Great Harmony" remains a guiding star for Chinese economic development in our times.

The final two chapters illustrate the humanizing ethical concerns as operative in new areas which in turn will generate new developments in business ethics. Chapter XIX by Wang Miaoyang, "Environmental Problems and Ecological Ethics," shows this broadening of human concerns to issues of ecology as the physical context of human life. It notes the willingness in the West to consider not only the control and subjection of nature, but human participation in a broader sense of nature. Resources for this can be found in the ancient philosophies of China.

Chapter XX by He Xirong, "Economic Development and the Female Personality," looks at the uniqueness of the human person. This was eminently treated by Ghislain Florival in terms of the relatedness internal to all humans in "Perception and Values: The Affective Basis of an Ethics of Encounter" in *Beyond Modernization: Chinese Roots for Global Awareness* (Washington, D.C.: The Council for Research in Values and Philosophy, 1997). He Xirong traces the history of the role of women in society from her initial authority, to industrial subjection and its image of the "strong" manlike woman, to her present liberation so that the full range of her distinctive characteristics can more fully be expressed.

Together, the chapters of this work constitute not only a thrilling account of perhaps the first attempt in China to take up an ethics of the economic order in China but a clear and profound cataloguing of the resources of the tradition, the new dimensions of human life which must now be opened, and the way in which this can be applied to the elaboration of ethics for the newly emerging economic life of China. Further indications of the progress of this development can be found in the volume developed with the Philosophy Institute of the Chinese Academy of Social Sciences in Beijing in 1996 and published by the Council for Research in Values and Philosophy, Washington, D.C., 1997.

Section I. Confucianism

1.

The Dual Economic Function of Confucianism

Shi Zhonglian

In looking for the ideological cause of the backwardness of the Chinese economy before the revolution, some considered Confucianism to be responsible. For this they cited the following grounds:

1. Confucianism maintained a feudal, patriarchal society ruled by a despotic monarch, in which government officials extorted excessive taxes and levies while common people enjoyed no freedom.

2. The main tendency of Confucian philosophy is opposed to utilitarianism. Confucianism was not concerned with profits. The neo-Confucian tenets, "preservation of the heavenly principles and the elimination of human desires" suppressed the human quest for material interests.

3. Confucianism despised merchants. In the hierarchy of Chinese traditional society built by Confucianism merchants were placed at the bottom. Confucians regarded the merchants as selfish, always placing profit making first.

4. The economic thought of Confucianism stresses the social importance of agriculture, but depreciates the role of commerce.

5. The thinking mode of Confucianism inclines to intros-pection, self-consciousness, and intuition; it looks down on the knowledge of nature, and therefore does not promote knowledge for the development of the economy.

6. Confucianism advocates a way of life in which men feel at ease in poverty and find their delight in the pursuit of the Way; therefore, economic activities lack a strong dynamic attractiveness.

The six points above are not groundless accusations on Confucianism; to a great extent they did indeed hinder the process of Chinese economic modernization. By surmounting these obstacles, the development of modern economy and the process of modernization in China (including the Mainland and Taiwan) have been entirely renewed.

However, Confucianism is not principally an economic theory, but a spiritual and cultural tradition, a philosophical system. Viewed from this point, its effects upon economic life must be many-sided. The critique of Chinese culture, the social revolution and the politico-economic reform in modern China have accented negative Confucian effects on economic activities. Nevertheless, the economic prosperity of Chinese feudal society for 2000 years, and the economic miracles in contemporary Japan and "the four small dragons" of East Asia indicate that in the relation between Confucianism and economic development there is another essential aspect to which not much attention has been paid. Without a study of this aspect, some important facts in Chinese history and contemporary society cannot be explained.

Before modern times the most vast unified domestic market and the largest, most populous and most prosperous cities in the world had emerged in China. Domestic markets and cities on this scale were based on well-developed agricultural and handicraft industries. As regards agriculture, in the Song-Yuan-Ming dynasties Chinese villages adopted the most advanced planting technology, and reached the highest yield per hectare in the world. In the handicraft industries,

before modern times Chinese craftsmen used the most advanced production tools and technology. For example, coal and iron production in the Song dynasty led the world. According to a study by an American economist, the output of the Chinese manufacturing industry in 1750 amounted to about one third that of the entire world.

Though the great economic achievements of ancient China were not entirely the direct products of Confucian thought, nevertheless these economic miracles came into being in a Confucian society, which took Confucianism as its official philosophy and ruling ideology. Further, these miracles were created by a culture in which Confucianism occupied a dominant position, and by a civilization developed upon Confucianism as its main basis. These important and historical facts, suggest the need for a new view of the relations between Confucianism and economic development. We must look for the elements in Confucianism which facilitate economic development.

That Confucianism which extremely despises profit nevertheless helps to bring about a high development of the economy seems to be a paradox and reveals authentic contradictory phenomena in history. There were two complementary causes which contributed to this phenomenon: on the one hand, economic development demands social, political, spiritual, ideological, ethical, cultural and other conditions; on the other, as a philosophy and a spiritual and cultural tradition, Confucianism has played various roles in social, political, spiritual, ethical, cultural and other fields. The combination of these roles facilitated economic development in the Chinese traditional society.

Of the fundamental conditions or factors which promoted such economic growth almost all related to Confucianism. This is manifest in following eight factors:

1. From antiquity, China was in the main a vast, unified state in which communication through land and water routes extended to every corner of the country. The unified state provided favorable conditions for the interchange and spread of productive technology, the circulation of commodities, and the activity of the merchants.

The unified state could mobilize enough force to resist the invasion of foreign aggressors and reduce civil war to a minimum. In human history, China enjoyed a longer peace than any other area, which provided extremely advantageous external circumstances for economic activities.

The Chinese tradition of political unity was established by the Legalist School, but was maintained and reestablished by the Confucians. Confucius said: "When the Way prevails in the Empire, the rites and music and punitive expeditions are initiated by the Emperor" (*The Analects*16:2). According to him, the princes of all states must be loyal and submit to the Son of Heaven, i.e., the emperor. This is the fundamental principle of Confucian politics. The elemental goal of Confucian political theory and of all political activities is the great order throughout the land under heaven and the pacification of the world. The main aim of Chinese rulers in successive dynasties in advocating Confucianism was the maintenance of the unity of the country.

2. The population of owner-peasants, small farmers, and freemen was larger than that of Europe in ancient times and the Middle Ages. The dependent relationship of the Chinese peasant upon the landlord was looser than that of the European serf in the Middle Ages. Relatively speaking, in ancient China initiative on the part of the laborers was high, a free labor force was abundant, and the purchasing power in society was strong. As a result the capacity of the market was large.

Apart from various political, economic, social and historical causes, there was a spiritual factor which brought about this large population of owner-peasants, small farmers, and freemen,

and the looser relationship of peasants to landlords. On the basis of their philosophy of benevolence the Confucians in every dynasty did their best to fight against this dependence. Works in ancient times criticizing the dependence and great disparity of wealth between the rich and the poor are beyond count.

3. In pre-modern times, the central government practiced effective administration and management throughout all China in the periods of unity. It maintained feudal order and security, and to a certain extent wiped out crimes and chaos. This afforded the necessary conditions for economic development, although it could not eliminate corruption, bribes, and perversion of the law. Some-times, however, it exercised tyranny and levied exorbitant taxes.

Confucian doctrine provided the theoretical bases of the system of civil government and elitist politics in Chinese feudal society, the rule for the practical exercise of traditional Chinese politics, the standard of behavior and the moral norm for administrators.

4. The central and local governments of every dynasty in China always took measures to promote production, for example, the allotment of land to the poor peasants, the encouragement of cultivation and farming, irrigation works, and action against business monopolies, hoarding and speculation.

The economic function and role of government was stipulated by Confucianism. Confucius held that matters of vital importance to the state were first teaching and then the enrichment of the people. He advocated that taxes be low. The problem of the people's livelihood is the main concern of Mencius's theory of benevolent government. The economic thought of Confucius and Mencius developed into a tradition according to which the feudal state acquired the functions of managing, regulating, improving and developing the economic life of society, and promoting economic prosperity.

5. Economic development, especially at the higher levels, requires raising the educational and cultural standard of the entire society. A comparatively developed economy requires workers who can master, use, improve, and invent comparatively complex productive technology and tools. It demands also that those who organize production have a relatively high ability to administer the economy.

Confucianism attached the greatest importance to education. As Western Christians built innumerable churches, the Confucianists established countless schools throughout China and did their best to urge people to study. Therefore in pre-modern China, the cultural level of the entire society and the intelligence of the common people was relatively high.

6. The economic activity in traditional China was stimulated by strong spiritual motives; this was the powerful dynamic force for economic development in ancient China. Nurtured by the Confucian tradition, the Chinese in ancient times also established the notion of a "calling". They took great pains with their work all their life, and were most willing to sacrifice their private happiness for the unceasing accumulation and multiplication of their wealth, whether they succeeded or not and no matter how great the wealth they obtained. This spirit was the strong dynamic force of economic development in ancient China.

European capitalism was developed by a religious spirit which urged one to self-sacrifice for the creation and accumulation of wealth, as Max Weber pointed out. In ancient China the common people's notion of a "calling" did not originate from the cult of God, but from a sense of responsibility to the family. To the Chinese mind in ancient times the family is not entirely secular, but also is possessed of a sacredness. In Western tradition, secularity and religiousness, worldliness and holiness, temporality and eternity are separate and antagonistic to one another. Confucians, on the contrary, try to unite these opposite polarities. They stress that holiness is not separate from

worldliness; and they insist on pursuing and attaining holiness in secular life, and endowing transient life with eternity.

In the Confucian tradition, the family is not only an elementary social unit of production and life, but also a social being with which alone the life of mankind can exist and reproduce. According to Confucian philosophy, the familial relationship is the origin of ethics and moral principles; the most intimate, genuine, sincere, and precious feelings originate from family. The most sublime virtue of humankind derives from one's love for his or her parents, and manifests itself first in familial relationships.

Besides, the Confucianists held that management of the family is the foundation of the administration of a state and the pacification of the world. Therefore, the creation of family property and the management of the family are not for constructing a cozy nest, but initiate a great cause devoted to lofty values and ideals. Innumerable Chinese accumulate and multiply their wealth without limit in order to bring honor to their ancestors and renown to their family. For this reason, they are industrious and frugal, and display an extremely assiduous and painstaking spirit in their work and life. Thus it is evident that Confucian ethics endows the Chinese in their traditional society with powerful motives to engage in, and develop, economic enterprises.

7. Although Confucius did not favor physical labor, such as cultivating land and growing vegetables, yet he and the Confucians all advocated the *jingye* spirit: to work cautiously, conscientiously, seriously, assiduously and diligently. This was bound to lead one to love of labor and to devotion to one's work. Confucius stressed repeatedly: "When serving in a official capacity be reverent" (*The Analects* 13:19), "Be reverent when one performs one's duties" (*The Analects* 16:10). This attitude was the origin of the *jingye* spirit of the ancient Chinese.

Confucian ethics cultivated the virtue of thriftiness among the Chinese. Even the dogma, "Preservation of the heavenly principles, and elimination of human desires", which manifested a tendency to subjugate human desires for a happy life nurtured the fine quality of thriftiness in people by opposing extreme hedonism.

8. This vocational and business ethics not only cultivated fine qualities and intelligence for those in economic activities, but also maintained the indispensable order required for economic development and prosperity. For example, sincerity, honesty and trust-worthiness are of great importance to business activities, especially in a traditional society. In ancient Chinese society, particularly in the economic field, law and regulations were not complete and perfect. As many economic activities depended upon conventions and customary practices, the sincerity and honesty of the merchants and trust between them were important. In ancient society without modern means of communication and transportation some magnates set up scores of stores and workshops in many cities. Without the role of such elements of business ethics as sincerity, honesty and trustworthiness, it is inconceivable that their business empires could exist, profit and develop.

The relation to Confucian doctrine of these traditions of sincerity, honesty and trustworthiness among Chinese merchants is extremely obvious. These are essential virtues of Confucian philosophy and ethics. Mencius said, "Sincerity is the Way of Heaven." Thus, sincerity becomes the fundamental principle of the universe and of man; it is one of the five eternal virtues: benevolence, righteousness, rites, wisdom, and trustworthiness. Through the ages the Confucianists introduced these virtues into the minds of people, and transformed them into a long and deep tradition which has played a tremendous role in the elimination of cheating and chaos in daily life and economic activities.

Modesty, kindness, toughness, tenacity, firmness, steadiness, prudence and so on -- all these virtues advocated by the Confucianists constitute an ethics which stimulates economic development.

Six obstructions to economic development were enumerated at the beginning of this chapter, but their negative roles were counteracted to some extent by the eight positive elements listed above which stimulated economic development. Without the eight points, the economic prosperity of Confucian society would have been inconceivable. Both the six and the eight points existed simultaneously in traditional Chinese society. One should neither negate the eight points in order to affirm the six, nor vice versa. However, by and large and over the long range, traditional society Confucianism has had a philosophy most suited and advantageous for economic development. The strong evidence for this statement is that in Confucian society the economy developed to the maximum extent allowed by a traditional society.

The relation of a philosophy and spiritual tradition to economic development should be studied in the light of the main spiritual and cultural role of fundamental values, instead of the economic motives and effects created directly by its theory. There is no simple causal relationship between a philosophy with eternal values and economic development. The real significance of a philosophy and of a tradition's perduring value manifests itself in forcefully stimulating people of all social strata to spiritual perfection and development. Further it promotes an overall level of culture which, in a broad sense, includes the institution, theories, and all kinds of achievements in the fields of politics, economy, law, ethics, education, literature, art, religion, and other humanities, as well as various natural sciences, etc. The spirit and culture perfected and developed by philosophy or religion can provide fertile soil and rich nourishment for economic growth, enable it to maintain its powerful vitality and open bright prospects. This has been the economic function of Confucianism in ancient China.

However, we cannot neglect the six constraints upon economic development. Their most grave negative role was to limit the Chinese economy within the sphere of a feudal economy. Because of this limitation, the Chinese economy could not free itself from the bonds of traditional society; only upon the breakdown of these ties could the Chinese economy develop to a higher stage. The great economic progress in modern China (including the Mainland, Taiwan and Hong Kong) was achieved precisely upon getting rid of these ties.

Can Confucianism suit the needs of a modern economy? Obviously an integral traditional Confucianism cannot exist in contemporary society, nor can it facilitate economic development. Nevertheless, the economic miracles created by Japan and the Four small dragons in east Asia which emerged after the 60s have demonstrated that the Confucian tradition, criticized and remolded by history, can still play its own positive role in the development of a modern economy.

This remolded Confucianism, as combined with Western values, has been termed by some Western scholars a "Neo-Confucian", or "post-Confucian" culture. Its main characteristics are: a stable political structure, for instance, one party continuing in power over a long period of time; active intervention in economic life by the government; the people's observance of discipline and obedience to law; a comparatively secure and orderly social life and a low crime rate; an important place for education in society; a relatively high cultural level of the whole society; a strong collective consciousness in the enterprises, with a multi-faceted emotional relation among all sorts of personnel inside and outside of business; concern for the well-being of staff and workers and harmonious interpersonal relationships; a strong sense of family and clan, with an important role for familial enterprises in economic life; and a thrifty life on the part of the people with a high rate of savings and investment. These characteristics, according to some Western scholars, have formed

a new mode of modernization, which the American sociologist Peter Berger called the Eastern mode of modernization; it is based on collectivism and group spirit, in contrast to Western individualism. The American economist Hung-Chao Tai calls this an emotional mode of modernization, in contrast to the Western rational mode.

The relation of these characteristics to Confucianism is quite obvious. The practical process of modernization in East Asia cast aside the obstructive factors to economic development in Confucianism, but preserved and carried forward its fine tradition of facilitating economic growth. By comparing the eight points mentioned above with the characteristics of the Eastern mode of modernization, we find that the latter is the manifestation of the former. It must be pointed out that the forms of the latter are distinct from that of the former due to the difference in the times, but the two are similar in the fundamental Confucian values from which they originated, and in the roles these have played. For example, the second of the eight points mentioned that the Confucian philosophy of benevolence restricted a vicious evolution of the dependent relationship of peasants on landlord. Now in East Asia, though the social problem has been solved, nevertheless the influence of Confucian benevolence upon contemporary economic life is manifested in another way. Some observers and scholars have noted that the disparity of wealth between the poor and the rich in East Asia is not so great as in the West. This is an important factor facilitating economic growth and obviously is related to the Confucian tradition of benevolence.

The economic function of Confucianism is always characterized by a duality. As regards Confucian theory itself, there is always a certain obstruction to economic development; this need not be covered over. Nevertheless, the modern economy and life have become an irresistible historical trend, which can resist, break through, and eliminate the negative influence of Confucianism upon economic development. Therefore we need not excessively blame Confucianism. The Chinese cultural tradition, with Confucianism as its principal component, is a spiritual life with a powerful vitality. That it can self-rejuvenate, self-renew, self-create and always participate in the process of historical development has been demonstrated vividly by the process of East Asian modernization.

The evaluative criterion is society as a composite of modern political, economic and cultural characteristics; simply speaking, it is modernity. Modernity is a generalized cultural category with women's personality development. A modernized economy will enrich the female subject's personality and open the possibilities for women to rediscover their self and improve their personality.

The Primitive Economy and the Female's Position of Authority

Almost every nation has undergone a time when they worshiped female goddesses and had beautiful legends concerning their authority. Female goddesses could not only repair heaven and make the earth, but could also create and multiply human beings. The worship of female goddesses reflects the authoritative position of female in material things and in producing human beings during primitive economic times. With respect to material production, their level then was very low. Women collected natural fruit, while men hunted for animals, but because of poor instruments men often came back with nothing, whereas the collection of fruit by women was the main source of food. In their state of group marriage, everyone knew his or her mother without knowing the father; child bearing was considered the business of women alone. In both material and human production women occupied a dominant position and were respected by everybody. With men they worked hard for the development of humankind, but did not ride roughshod over people by means

of their position. Hence, their personalities were sound and beneficial. In such a time women had both position and personality, but they could not be said to have had independent individual personalities. They were conscious of a heavy dependence upon nature and human beings; there was no place for a sense of independent personality.

Agricultural Economy and the Loss of Female Personality

Progress in productive tools changed the natural division of labor. The rise of agriculture and livestock provided a new productive force. In addition, individual marriage replaced group marriage so that people knew their own parents. Child bearing was no longer a holy affair, but a burden binding women in the family. Men came to occupy the authoritative position in society originally held by women. With the establishment of the system of private property, women no longer had an independent personality, but became an exploited and oppressed part of men's property.

The development of economy and the progress of the marriage relation need not have led to the loss of women's personality, but the fact is just the contrary. We have seen several antinomies above: first, women invented primitive agriculture, contributed to the invention of fire and livestock farming, and helped to bring about the development of the economy and progress in history. At the same time, women showed themselves less competent than men in such productive activities as agriculture and livestock farming, which made them subordinate to men; second, women contributed to the continuation of the human race, but child bearing bound them in families and deprived them of the opportunity to take part in social activities; third, males created the culture and value system and made themselves subjects of the society, while treating females as object and tools. Although these are historical antinomies, they were inevitable for human beings in their efforts to free themselves for the bonds of nature. In a society of low productive power, it is an axiom that the weak are prey to the strong. The backwardness of production and its corresponding feudal system and culture could not provide room for an equality of both sexes. Therefore, for the progress of the economy it was unavoidable that women's personality would be sacrificed. In the dark ages in China as well as in the West women could not participate in politics and the praiseworthy characters of the female were also distorted: women become jealous due to living together with their husband's concubines; they became self effacing due to being subject to maltreatment; and they became narrow-minded through living for a long time in the boudoir without going out. In the meantime, the distortion of the male personality was manifested in another way. Many men were subordinate to other men due to the social system which gave primary to the father's rights so that they had no personality of their own. In the family, marriage for the sole purpose of child bearing and expression of the sexual impulse without love alienated the human essence of males.

The Industrial Economy and the Awakening and Variation of Women's Personality

The industrial economy destroyed the natural sense of the family as the basic unit. Great quantities of labor were needed by large industry. This created opportunities for women to enter social life, to participate in economic activities, to earn salaries, and hence no longer to be the property of others. This provided a good basis for their positions as social subjects. In addition, the democratic system, corresponding to the industrial economy, promoted such ideas as "all are equal in terms of money"; "all are equal before the law", "all are equal before God". This gave rise

to public opinion favorable to the independence of women as regards their personality. All this was helpful in awakening women's personalities as subjects. In industrial society women actively fulfilled their obligations while seeking their legitimate rights and interests in activities which constantly improve their personality. However, the following elements in industrial society frustrated the development of women's personality or even subjected it to certain deviations.

First, industrial production places the machine at the center; it aims at producing material objects and is determined by the investment of human power and other resources; it emphasizes physical labor and operational technology, and the proportion of physical labor is much greater than that of mental work. This situation is unfavorable to women; they suffer sexual discrimination in seeking a job, which hinders the establishment of women's personalities as subjects.

Second, due to the backwardness of ideas in comparison to the progress of the economy, certain feudal ideas such as "the male has dignity while the female is humble" and "a woman should be subordinate to a man" still fetter women, and influence social expectations regarding their role and value. This gives rise to certain dilemmas for women in seeking their rights and fulfilling their obligations. Many women feel a tension between their role in society and in their family, and in seeking a position in social life while feeling a sense of obligation to be a good wife and mother.

Third, the male culture inclines women to be masculine: as society has long been dominated by men the behavior of successful men in social life is taken as the pattern for all people. As women have not created their own pattern of behavior, they must conform to the pattern of man's behavior so that their role in social life will more easily be accepted. This stage cannot be surmounted until women fully participate as subjects in society. Although the slogans such as "equality for both sexes" play a great role in freeing women from the fetters of family to become subjects in society, they are harmful to the maintenance of the distinctively female personality. In China, a trend toward the masculinization of women was strong after the 1950s, and reach its height in the 1970s. The "Iron Young Woman" in the 1950s was very similar to the male physique; in the 1970s the dress, even the style of women's hair, was masculinized. Coming into 1980s, people exclaimed with surprising that "there are no woman in this country"; they began to doubt whether the "strong woman" was perfect in personality. Women refused to be masculinized.

However, people have no answer to the question what is the ideal personality for women? They sink into puzzlement and inertia. Men are afraid of their wives being "strong women", and women themselves fear being "strong women". In order to be thought of as tender, many women do not dare to show their talent, but then they worry about being too feminine; they do not know how to mould their personalities. The solution to the problem requires further development in the economy as well as constant progress in ideology; one is complementary to the other.

The Modern Economy as Helpful to Molding the Ideal Female Personality

The modernized economy is a great revolution over the traditional one and will bring about change in all facets of society. The female personality will be developed and improved in the process of the modernization of society and its ideal will be realized.

First, the productive mode of the modernized economy helps manifest the personality of women as subjects. In modern industry, what determines the production is no longer physical human strength, but the application of a high level of technology, which increases the proportion of mental work. Now in some developed countries, the proportion of mental work versus physical labor approximates 1:1, while the value created by the former far exceeds that created by the latter.

Therefore, the application of high level technology will reduce or eliminate the physical inferiority of women in production, and enable women to give play to their superiority in patience, carefulness and nimbleness. This is obviously indicated in developed countries: in the U.K. women have more job opportunities than men.

Second, the operational mode of a modernized economy enables women to choose the job suited to them. The open, dynamic pattern of the economy enables women to find positions of their own in a wider range of social activity. In developed countries, women are exploring molding ideal personalities. They are not the traditional good mothers and wives who sacrifice themselves in a closed family context, nor are they the so-called strong women of industrial times. They develop their own standard and hope to get a valuable job with flexible hours and a good location; they hope to take account of both family and career. Some women give up work and become housewives while bring up their children, but their return to the family is for the purpose of educating their children and giving their children the natural love of a mother so that the children can grow soundly. In the meantime, they engage in further studies to give play to their potentialities or to develop their interests, so that they will be more competitive when they take up a career after their children have grown up. Such exploration is praiseworthy under the conditions of a modernized economy; it advances the civilization of the whole society.

Third, the high educational level of society, the high degree of democracy and the modernization and socialization of house work due to the modernization of the economy will enable women to elevate their quality as human beings, to demonstrate their personality, to strengthen their competitive power in social life, and to realize a sound personality. There will be a day when we need no longer emphasize that the male and the female differ and recognize that there is something common to both sexes. Then the peculiar and varied beauty of the character and personality of the female will demonstrate itself naturally in the world.

Of course, molding the female personality depends not merely on the progress of economy and is not merely a matter for women alone. It depends on the consistent efforts of the whole society; this requires theoretical work by scholars to find the incompatibilities and in time eliminate them.

Restructuring Rationality and Modern Confucian Values

Deng Mingying

The relation between traditional culture and modernization has been the main ideological concern in Chinese intellectual circles for this century. However, because Chinese intellectuals were faced with the challenge of saving the nation from subjugation, ensuring its survival and studying new ideas from other nations, they could not develop a correct understanding of the value for a modern society of the traditional Confucianist culture. This hindered the creative transformation of that culture into a modern social vision. This problem still puzzles Chinese intellectual circles. This chapter will investigate the modern value of Confucianism in view of the modern rationalization of life.

Modernity and Its Rationalization

To understand the modern value of Confucianism is to evaluate what Confucianism can contribute to China's process of modernization. Therefore, we should first determine a criterion for this evaluation and at the same time explore its objectivity in order to ensure the objectivity of the evaluation.

The evaluative criterion is society as a composite of modern political, economic and cultural characteristics; simply speaking, it is modernity. Modernity is a generalized cultural category with three levels: the material, the institutional and the ideological. As Confucianism belongs to the third level, we shall limit the criterion for modern Confucian values to the system of modern values.

It is still too early to say what is included in the ideological system of modern values. According to the human being's ultimate concern, we can only suggest some pointers using nature, society and historical construction as a threefold cultural background for summing up the experiences and lessons of the modernization process of many nations.

As the modernization movement began first in Western society, we can ask what the system of modern values, especially the actual modernization process in the West, includes in the eyes of Western scholars? Using rationality and individuality as its basic components, the system of modern society infuses the different fields and levels of social life with the following aspects:

(1) On the relation between human and nature, it develops the idea that men have absolute power to conquer and possess nature according to the anthropocentric tradition that "Man is the measure of all things". Therefore it values science as having the utmost efficiency.

(2) On the relation between persons and society, it develops the idea of a social contract that individual rights cannot be violated, and the democratic political view from classical liberalism and religious equality that "All are created equal by the God." Therefore, its primary value is that the individual has priority over the whole, and hence that the individual has priority over society.

(3) On morality it uses rationality to direct morality according to the rationalist tradition emphasizing that instrumental rationality has priority over human rationality.

(4) On values it gives priority to the physical over the supernatural, and to the material over the spiritual life.

Because the system of modern values in the West is planted in the soil of traditional Western culture, it leads to such insuperable cultural difficulties as the ecological crisis, the threat of wars, the tensions existing in human relations and the loss of morality. Therefore it cannot become the spokesman of human cultures, nor can it be the criterion for understanding the modern values of Confucianism. Correctly to understand Confucianism's modern values, we must not center upon Western culture, but restructure the rationale of a modern value system.

The final aim of human activities is freedom and the development of human beings themselves. The rationality of a modern values system is based upon how it can offer the best conditions for promoting the most integral development of freedom. From this aspect, a rational modern value system should have at least the following three characteristics:

(a) On the relation between human beings and nature, it emphasizes the harmony between both and objects to overemphasizing the conquering or ownership of nature by humankind.

(b) On the relation between human beings and society, it emphasizes their dialectical unity; it combines individual rights with individual social responsibilities and builds the relation between an individual and society as a whole so that each is both goal and means for the other; it objects to using the whole simply as a means to achieve an individual's self realization as well as ignoring the free individual's personal needs.

(c) On the relation between the human beings and itself, it emphasizes a high unity of spirit and flesh, spiritual and physical life, and objects to any choice of values which contradicts these two.

This is the basic requirement in order for the system of modern values to be rational.

Basic Content of Confucian Values

Confucianism has as its scriptures *The Book of Songs*, *The Book of History*, *The Book of Changes*, *The Book of Rites* and *The Spring and Autumn Annals*. Humanity, justice, rites and intelligence are basic principles of its academic system. Its most important internal component is Confucian values.

In history, Confucianism had different phases of its development, each phase having its own characteristics. But it retained typical ideas which formed the comparatively stable aspects of Confucian values. These ideas include mainly an emphasis upon:

(1) harmony, despising antithesis. The Confucian considers harmony, including that between men and nature, between men, and between nations and countries, to be the highest criterion and aim.

(2) the whole over the individual. The Confucian thinks that an individual's values can be realized only in society as a whole, as that is the ground of one's existence. Therefore, it emphasizes individual duties to society.

(3) morality over utility. The Confucian considers moral attributes to be the basic factors which differentiate the human from the animal. This puts special emphasis on the moral motives of behaviors and opposes what is utilitarian in human behaviour. Furthermore, the Confucian looks upon the moral duties safeguarding feudalism, e.g., being loyal to the emperor and being responsible for the country, as of the utmost utility, also called public interests. It opposes using individual interests as motives for behavior.

(4) spiritual life, despising material life. The Confucian specially emphasizes self-cultivation in morals, which is considered to be more important than one's material life.

In China's history, Confucian values had a double influence over society. Positively, they ensured the nation's independence and unity, produced harmonious human relations, and cultivated the responsibility of individuals to society; negatively, despising scientific rationality, they denied individual interests and self-development, causing one to be conservative, and to seek quiet, stability and safety. Their positive and negative influences co-exist and the ideological system of values has both its merits and its defects; it promises to be useful still in building an ideological system of modern values.

The Modern Values of Confucianism

According to our comparative analysis of the basic content of Confucian values and of the rationality of the system of modern values, we can see the role played by the former in building the latter:

(1) The Confucian has the following choice of values in pursuing harmony: to overcome the ecological crisis, to restructure a rational relation between human beings and nature, to overcome the drifting apart and tensions in human relations due to the social division of labour and conflicts of interests, to end the threat of wars and to build a peaceful world.

(2) Confucianism emphasizes the whole, though with a tendency to deny the individual; it reflects a specific side of human nature, even onesidedly. It contains some elements of truth, which can be absorbed by a modern society for it relaxes the tension between individuals and the society caused by over emphasizing individuality. By mutual learning and making up for each other's deficiencies, a new ideological system of values about the individual and society can be developed alongside the Western individualism.

(3) The Confucian principle of morality and justice, though one-sided, strengthens the position of human rationality. It is helpful also in overcoming the drawbacks of the utilitarian idea that humans are governed by things. But we should reject the Confucian tendency to deny material and individual interests. Learning from each other and complementing each other's deficiencies, Confucianism and utilitarianism can overcome the confrontation between morality and utility, instrumental means and goal.

(4) The Confucian emphasis upon the priority of spiritual life is significant for overcoming the cultural difficulties of lack of mental ballast and the spiritual wasteland caused by hedonism. It is helpful in building a new mode of development for individuals.

On the whole, Confucianism offers rich and valuable thoughts for restructuring the rationality of modernity. Its significance and value will be increasingly demonstrated as human history proceeds.

Session II. Marxism

3.

Value Judgements and Economic Development

Wu Xiaoming and Wang Defeng

This essay is an attempt to provide a concise description of the problem of value judgements regarding economic development in our time. As this problem is vast in scope, we cannot go into theoretical detail; only a preliminary discussion of its essential nature and tendencies will be possible here. The main points of this discussion are as follows:

(1) Especially since the beginning of this century, some important changes have taken place in the evaluation of economic development; these have been reflected in a series of quite urgent contemporary problems.

(2) Although these problems can and should be discussed in their economic, political and social aspects, substantially they have been reduced to philosophical problems.

(3) The contemporary response to them in the West is mainly relativism. While this has cleared up a great many false theoretical conceptions, it entails some tendencies which are subject to criticism.

(4) Insofar as the matter in question probably is related to historical theory, it is necessary to understand afresh the contemporary significance of Marx's theory.

Economic Development and Its Evaluation

During a long period in modern times, in spite of continued unrest and protest, people rarely considered economic development, as with scientific development, to be problematic. The goal expressed by Francis Bacon seemed unquestionable: namely, increase in human happiness and decrease in human sufferings, i.e., the improvement of the human situation. For most people in the Victorian Age the idea of progress as the related development of science and the economy were undeniably of value in promoting the well-being of mankind. Optimism was a characteristic of that age.

Arnold Toynbee once described the general feature of this kind of optimism: the late Modern Age (beginning with the generation of Pepys) was one of the great ages of belief -- belief in progress towards a perfect situation. This optimism of the self-contented middle class was no novelty at the time Queen Victoria was to celebrate the 50 anniversary of her coronation. Towards the end of the 19th century the world outlook prevalent among the British middle class was best expressed in these words: "History is finished now, therefore it is the last history." This world outlook was also shared by contemporaries in Germany and North America. "They are keeping satisfactory accounts, imagining that a steady, peaceful and pleasant modern life has mythically fallen on, and persisted in, the timeless present which has suddenly manifested itself."

The theoretical aspect of this preponderant world outlook was expressed in the completed form of classical economics. It was a near postulate of the whole classical school of political economics that over-production in general is impossible. For example, according to Ricardo: (1) demand is boundless; (2) demand can be and is met by means of production; (3) therefore, production will never exceed demand. As Marx demonstrated, Ricardo's theory reflected "the

absolute developmental tendency of productive forces in the capitalist mode of production." As the completion of classical politico-economics, Ricardo's theory affirms the bound-less development of capitalist production. Its basic conception has long had a dominant influence upon the average consciousness, though it was rejected by Sismond from the outset.

Nevertheless, especially since the beginning of this century, this optimistic belief in economic development has been shaken from within. Its value criterion -- never challenged before -- now has come to be widely suspect. Just as the social function of science and technology should be re-examined, the value of economic develop-ment also has become a serious question.

The future of humankind was rendered nebulous by the flaming gunpowder of the Great Wars and the fireball of the nu-clear bombs, as well as by the waste gases of industry and the thick fog in cities. The concept of "progress" most familiar to common consciousness has become a subject of controversy, criticism and reflection. Spenglar predicted "the decay of the West"; Luckacs described "the destruction of reason"; Husserl discussed "the European crisis of science", and Russell asked strikingly, "Has mankind a future?" Nearly all the most important thinkers of this century have shared these questions. To them we can add Heidegger, Jaspers, Freud, Fromm, Bloch, Habermas, Weber, Camus and D.H. Lawrence.

This calls for a re-examination of the meaning and value of economic development for human existence. More interesting are the remarks which have been put forward by contemporary thinkers and critics and the problems of prime importance in economic development to which these remarks are related.

The most general formulation of the problems may be found in the reports of the "Club of Rome". One of the reports, entitled "Mankind at a Turning-Point", says that it is as if man suddenly discovered himself faced by a great many unprecedented crises: the population crisis, the environmental crisis, the food crisis, the energy crisis, etc. The old crises have spread over the whole globe and are far from ending, while new ones are emerging rapidly. All these crises comprise a "complex disease" in the world process. In order to get over the crises, humankind must make a great change, i.e., choose a new road for the development of the entire globe. Seeing that many global crises have been caused by the speedy growth of economy, such growth must be subject to reevaluation.

The authors of the reports have listed a series of problems related to economic growth. These can be sketched as follows: (1) Do the crises of food and energy arise from casual negligence or from long-term faults? (2) Can these crises be overcome in the scope of one country or district, or must they be overcome by com-mon efforts throughout the globe? (3) Is it possible to overcome them by separate technological, economic and political efforts or must they be treated by a comprehensive strategy? (4) Are these crises really urgent; will delaying a response win time and reduce bitterness or will it make the problem more difficult to resolve? (5) In attempting a resolution of all these crises, is there any way of protecting some parts of the globe from excessive injury through global cooperation? What danger lies in the fact that some regions seek their own interests against those of others?

The Notion of Problems of Economic Development

The above questions are not easy to answer; in fact they involve some much more fundamental questions. As admitted by the authors of the reports, the predictions made in the reports will have only academic value unless a new world system is developed. How then should such a new and vigorous world system be conceived? Or, to present the question more substantially and yet more

modestly, we may ask how one can understand and evaluate contemporary economic development, and how to ensure and improve our future existence through suitable present adjustments and reforms?

It is apparent that this question is more fundamental; in fact it is the question about value judgement themselves. The question cannot be evaded if we want to suggest something about the future "good", or so-called "improvement".

Russell proposed distinguishing science from its economic application. According to him, the spread of the scientific world-outlook, opposite to the theological world-outlook, has thus far been helpful to happiness, but, not all of science's technological effects brought about by the economic application of theoretical science are helpful. More importantly such "scientific technology" functioning in the actual economic processes has developed anything but the "scientific spirit". The practitioners applying scientific technology, and especially those who employ the practitioners, have developed a high sense of unlimited power, arrogant assurance, and satisfaction in manipulating experts. All this constitutes a mood which is just the opposite of the scientific spirit. Therefore, Russell put forward a seemingly strange proposal that we should develop science continuously, but not develop industry at the same time. In other words, on the one hand, he has a positive appreciation of science while, on the other hand, he persists in criticizing the economic application of science in industry.

Toynbee and , in their famous dialogue about the 21st century, more fiercely criticized contemporary economic development. For both the alleged progress, whether material or mental, is at the cost of heavy and unbearable losses. The dominant thinking in the contemporary world restricted itself within the scope of economic ideology, forgetting that, in every system of human society, economy is but a part, not the whole. It is a major error of our modern age to lift economy, which is but a part of the whole, to an absolutely preferential position. The contemporary development of the economy has resulted in a gradual decay of the whole system of human society throughout the globe. Such an economic development, if left alone, will destroy humankind's right to existence on the globe.

For Toynbee and , the key to the settlement of the problem lies in its spiritual aspect. The crucial question is whether the economic and technological progress will immediately lead to cultural progress and naturally increase spiritual achievements. Their answer is negative. So far, whatever people have called the "progress" of civilization has been no more than the promotion of technology and the economy, and advance in using impersonal forces. These can never be identified with the promotion of morality.

Today's crises are effected by people themselves and originated in their rapacious and aggressive character, which in turn derives from their "self-centeredness". To cure the self-centeredness, we have to appeal to religion, because religion is "the source of human life" and the real root of spiritual and moral life. Today, perhaps, religion is similar to philosophical "wisdom" as an attitude towards human life. The principle of this "wisdom" is the necessity of a "human spiritual revolution" which consciously situates the meaning and essence of human life. This principle also stresses the life of the individual and claims that its dignity can be preserved only when it is reconciled with Nature. In this sense, Toynbee persuaded people in modern times "to abandon economic goals, and to establish spiritual goals instead", in order to found "a global society which is socialist in its economic aspect and liberal in its spiritual aspect."

From the above description we can discover easily that not only has the evaluation of economic development become an urgent problem in contemporary times, but that the basic position has changed greatly. The problem has already been presented in a very biting and

challenging way; it seems not to be limited to the West, but has universal, worldwide importance. Let us give a simple instance. After his return to China from Europe in 1920, Liang Qichao wrote a book named "The Spiritual Records of the Journey in Europe". Everyone who has read some lines of this famous book knows the shock to Chinese intellectuals which was the problem it raised of evaluating science and economic development and their resulting contradictions and conflicts. There soon followed not only the debate between "Eastern Culture School" and "Western Culture School", but also the controversy over "science and the outlook of human life". These violent debates reflected the fact that the same problem was also widely and realistically significant for old China.

On the other hand, from the above description it is manifest that the issue of evaluating economic development is not only urged by many contemporary social problems, but also reflects some more fundamental problems which can be discussed or judged only on a philosophical level of high principle and corresponding value standards. Russell's proposal -- the distinction and choice between the "spirit" and the economic application of science -- is effective only on a philosophical level. Similarly, Toynbee and 's scheme of reformation -- the definition of material progress as ethically neutral and the demand of giving preference to "spiritual welfare" in contemporary human life -- is nothing other than a kind of philosophy and philosophical value standard.

Therefore, if we want to approve or oppose these thinkers' proposals or schemes we also must stand on a certain philosophical level and value standard. The conception represented in such words as "practical settlement of problems one by one" negates the high principles involved in the problems and proves itself ignorant of their nature. Of course, the problem of evaluating economic development is caused by a series of very concrete social problems in modern times; it is necessary to analyze and resolve them in various particular fields and through many detailed research efforts. But, the more they appear increasingly complicated, the more their essential and philosophical comprehension is important and urgent. We can even say that if our day be devoid of philosophical comprehension we will be unable to form a real judgment on the complex of problems and hence be unable to judge any concrete problems.

In contemporary thought circles, philosophical research on the problem of evaluating economic development has never ceased. Especially humanistic philosophers, social theorists and ethical scholars have promoted the study of the problem. They have made a critical analysis of technological-industrial society and have approached the subject of objectification and alienation. They have not only re-examined the concept of conquest and the value system based upon it, but also reflected upon the so-called "rationality" -- instrumental reason and analytical reason -- which is overwhelming modern life, especially modern economic life. All this converges to form a philosophical theme regarding the relation of humankind to nature: what is it and what ought it to be? If the relations are determined by a certain mode of community (i.e., the relation of person to person) or of spirit, then, in order to ensure a sound relation of man to nature what ought to be the mode of community or of spirit?

Relativism

This philosophical theme, which emerges in the problem of evaluating economic development, has compelled concern with the question of value, and has strikingly changed attitudes towards economic development. However, there is much divergence and debate regarding

value orientation. More importantly, contemporary ethical theory in general seems not to tend to surpass this divergence and conflict, but rather to hold to a relativist balance of various positions.

As the title of Luther J. Binkley's *Conflict of Ideals* suggests, the ideas of value in Western society have not only been under-going change, but stand in mutual conflict. As a generalization, Binkley termed the contemporary understanding as "relativist". In the 1920s, Walter Lippman pointed out that the acid of modernity has dissolved the past para-religious faiths; the development of industrial urban societies and the influence of scientific method are the primary agents undermining faiths in the various absolutes. E. Westermark and E. Durkheim stressed more adequately the variety in moral criteria. Westermark affirmed that there was great variation between different times and cultures. Analogously, Durkheim claimed that the specific society in which a person happened to live was the supreme authority regarding moral criteria. At nearly the same time, such notions were supported by the discoveries of many social scientists that quite different values were held in different cultures. W.G. Sumner claimed that morals were precisely those social customs which were more stable and more compulsory. K. Manheim went further to say that a moral system was no more than an ideological reflection of the behavior which was socially beneficial for the dominant group in a country, and therefore that it was impossible to seek universally valid values beyond various ideologies.

Regarding this general characteristic of contemporary ethics Binkley notes two different interpretations of the thesis that "all values are relative". One popular interpretation is that all values are decided carelessly and have no rational ground. The other, more profound interpretation sees even the most fundamental value commitments as related to a particular people living in a specific historical period. "Therefore, we should not be the slaves to some principles of the past, but instead we should try honestly to find those rationally justifiable values which are helpful in molding our present world into a loftier world." The relativism in contemporary moral theories has indeed been effective in terms of criticism and negation: it has not only undermined the traditional value systems, but has cleared away many false theoretical conceptions. For example, it has now become questionable that only our value commitments are possible for all sound human beings.

Here, we do not intend to discuss further ethical relativism. What interests us is that, against this general background, we can find another contemporary tendency in understanding values and the evaluation of economic development. This character goes beyond excluding the absolutely negative views which give no attention to establishing any criteria and those uncritical views which are limited to present ideologies. It notes that almost all theories which attempt to set up their claims about value criteria and form a judgement on the evaluation of economic development have a more or less romantic tint with a theoretical tendency to oppose "what ought to be" to "what is".

Just as Russell's proposal -- continuously to develop science, not industry -- was remarked upon sarcastically by J.D. Bernal, Eric Fromm's suggestion of a new man and a new world has been much criticized for its "extremely utopian tone". Doubtlessly, Fromm's normative humanist ethics has great success in criticizing contemporary technological-industrial society and in diagnosing the dilemma of the modern person. His analyses of the modern person's "unproductive temperament" and "evasion of freedom" are, so to speak, essentialized; his value standards of self-creation, self-fulfillment, love, humanistic conscience, etc., are lofty. However, as soon as one is involved in restoring the person to his or her dignity and greatness and in building a sound society with reason, the weakness of his theory betrays itself. His theory has little of the character of immediate reality. Though we might agree on the goal he sets, that is still an abstract and hollow "ideal". In this sense, Fromm's criticism is quite analogous to Feurbach's "twofold contemplation". Therefore, Fromm's value judgements on contemporary economic development often are simply

negative. Binkley has perceived the unavoidable theoretical difficulty with these judgements, "If he is right in saying that we will gradually become robots, it may be asked whether it would be possible for the robots to rise in rebellion. Who would establish a new society?"

Similarly, in the above-mentioned dialogue between Toynbee and , the opposition between the ideal and reality appears to be stronger. In their proposal of "abandoning economic goals and setting up spiritual goals", they are attempting more to foster a kind of willpower out of despair than appealing to action supported by realistic ideas. Their proposal aims at the realization of an unassured but necessary salvation. Because their scheme of "spiritual revolution" was worked out on the presumption of a separation between the revolution and material and economic development, it separated itself from the practical mundane ground of human life. This separation inevitably results in an unlimited opposition between "what ought to be" and "what is", in an abstract ideal and vast goals. As Toynbee and appealed to the simple awakening of religion and to a revolutionary reformation in the inner life of individuals, the call to overcome the crises and realize new ideals was developing in the direction of romanticism. They turned their attention to the East in order to confine modernization to a minimum and to retain the traditional pastoral mode of life centered on agriculture, not to seek wealth. Among former theories, this would find sympathetic resonance from the physiocrats, Sismondi and Proudhon.

Although the above tendency is worth criticizing, it is by no means ungrounded; it is historically real and practically significant. But for the subject we are discussing, its practical significance lies in its thorough and intransigent standpoint which sets mercilessly before one the problem of evaluating economic development. It is not a cool external overview, but reflects strain and unrest from within. It presents the problem with the acute bitterness of the modern person and calls forcefully for settling the problem.

Marx's Theory of History

The theoretical and emotional tendency described above calls for correction, while taking the contemporary world as a whole. Perhaps it is not yet the time to resolve the problem completely and to choose a definitive goal and road thereto. The problem would seem to lie especially in historical theory. Hence, if the contemporary significance of Marx's theory is re-understood and re-expressed, it will be beneficial in remedying that defect and for a realistic and simultaneously critical evaluation of economic development.

In evaluating economic development with Marx's theory, we would generalize three aspects of its contemporary significance.

Firstly, in a more general sense, Marx's theory is a kind of humanism. This is seen more through the changing contemporary social life than as a scholastic fact. There still are many controversies on this point, and this humanistic interpretation of Marx's theory by Lukacs and Korlsch is still far from un-questionable. Nevertheless, more and more people, through their own lives, are coming to recognize that in the social goals ex-pressed in Marx's theory there are such value orientations as concern for human destiny, for human fulfillment of all potentials and for humankind's establishment of itself as the real purpose. The "Paris manuscripts" demand "the actual appropriation of the human essence through and for man"; the "Manifesto of the Communist Party" calls for a society "where every individual's free development is the presupposition of all human being's free development." Therefore, for a general judgement on economic development it is apparent that economic development as such is not the purpose; rather the purpose is the human person or "human society or socialized humanity".

However secondly, at least for Marx it is inadequate -- even impossible -- to evaluate economic development merely according to this value goal. Here, what is most important is a realistic history. This has been seriously neglected by those theorists who accept a humanistic interpretation of Marx's theory. They tend to present the contemporary meaning of Marx's theory as a kind of "humanistic religion" and a "moral prediction which appeals to us". They have tried to achieve a "second birth" through reading Marx's early writings. However, as with the "Paris Manuscripts", it is incorrect to interpret them merely as "moral radicalism", for even those "manuscripts" contained the history principle, of which contemporary moral radicalism is significantly void. The history principle is manifest not only in Marx's sarcasm of "romantic sentimental tears" and his criticism of "crude communism", but also his thesis that "the overcoming of self-alienation follows the same course as self-alienation."

It can easily be discerned that this notion demands a rejection of romanticism's retrospective orientation as well as opposition to an uncritical positivism. Thus, for instance, when Marx made it clear that natural science and industry, under existing conditions, were dehumanizing human relations, at the same time he stressed that natural science had penetrated and transformed human life all the more practically through industry, preparing for human emancipation. In this way the nature of industry (i.e., the nature of economy developed in the modern age) was historically criticized, but at the same time the meaning of industry was historically affirmed. On the one hand, industry is a "realistic and historical relation" of man to nature; on the other hand, it positively over-comes self-alienation as "a thorough and self-conscious reservation of all the fruits accumulated during past development."

The realistic history principle is one of the primary characteristics of Marx's value judgements on economic development. This principle does not mean an abandonment of social goals or value standards, but only that these goals or standards must become realistic ideals. It insists upon avoiding basing moral criticism on the sole premise that they persist on historical grounds. Simply speaking, the demand here is to base value judgements on both value goals and historical reality. According to this principle, Marx not only affirmed generally the great significance of the commercial economy, but also affirmed particularly "the civilized aspect of capital". Without this principle, it could hardly be imagined that this sternest criticism of the capitalist mode of production could have ascribed such great (probably the greatest) historical significance to the capitalist mode of production. Therefore, we strongly suspect Binkley's assertion that Marx was pessimistic about man in a capitalist society but optimistic about man in an illusory classless society. The defect of theory would be to be without the history principle; it is impossible to attribute this to Marx.

Thirdly, in evaluating economic development, as in understanding historical theory, it is a great misunderstanding to consider Marx's position as "economic determinism" (as for the theorists of the Second International) or to attack his position as "economic determinism" (as for Reichenbach, Cassirer, Collingwood, etc.). It is not possible for us to discuss fully this misunderstanding. We need only note that, for Marx, just as a social revolution is not "caused spontaneously" by economic movement, higher social goals and their attainment are not identical with progress in the economic or material sphere. Progress in these material areas, according to Marx, represents humans bringing forth their own species-powers and treating them as objects -- something which is possible only in a situation of alienation. It is because of this inevitability of alienation that the economic development and material progress of human society have been actualized in the spontaneous form of "economic necessity". However, this spontaneous form is not a permanent natural form, but the result of history. The human species-powers brought forth

in this form as objects, on the one hand, have governed human subjects (because they are in the alien form of economic forces), but, on the other hand, also suggest some loftier social destination (because they are the human quality of nature produced through history and among human achievements). Therefore, Marx concludes that, for one thing, the spiritual goals set by loftier social ideals should not be disconnected from developments in the material and economic areas; and for another these spiritual goals are by no means the spontaneous outcomes of existing material and economic conditions, but are formed through criticism of these conditions.

Therefore, it is the same mistake to ascribe the realization of Marx's social goals to mere "economic necessity" as to define his value orientation within the scope of economic values. It must be noted that Marx demanded that general historical theory distinguish changes in economic conditions from the ideological forms of which people were aware. Further he insisted that in understanding value orientation, genuine freedom be put "on" the basis of, and "outside" of natural necessity:

In fact, the area of freedom only starts with the boundary where the labor prescribed by necessity and external purpose stops -- according to the nature of the thing, freedom only exists beyond the area of genuine material production. . . . Only beyond this area, does the area of genuine freedom or the development of human capacities start for its own sake. And this area of freedom can only flourish by basing itself in that area of necessity. The fundamental condition is the shortening of working days.

It is not necessary to treat fully in this essay the theoretical details.

What we note here is that Marx's concern is about the understanding and value criteria of economic development and that this has important significance for our time. For it not only resolutely opposed the positivist position which was not only uncritical and devoid of high value orientation, but was also resolutely backward and illusory. Both of these mutually complementary positions and orientations are still quite common in the evaluation of economic development. In contrast, Marx's historical theory has suggested in principle a possible program of understanding, the critical reality of which, as manifest in its evaluation of economic development, is at the same time the historical reality of its value criteria.

This essay has intended mainly to describe and discuss generally in terms of philosophy and historical theory the problem about value judgements regarding economic development against the background of the contemporary world. However, just as concrete economic development problems cannot be resolved without reference to their existing conditions and particular nature, it is impossible to evaluate economic development at the different historical stages of a particular nation, state or district according only to a general criterion exclusive of essential differences. Unquestionably, what is needed here are concrete research and a comprehensive grasp of "the differences constituting development". Nevertheless, because "universal history" has become an empirical fact, the evaluation of economic development will unavoidably become a universal problem. This problem is indeed important for the Western economically developed nation, but it is especially important for China in its process of development. For the understanding and resolution of this problem, Marx's theory, called by Sartre "the main trend of the contemporary culture", has at least a significant meaning. That is, it provides not only a value standard as a social ideal or destination, but also an interpretative program as the embodiment of the standard and a practical program as the reality of the standard. Thus, the fundamental principles of this theory (not its details on particular issues), not only form value judgements on economic development,

but also claim theoretical and practical concreteness for their value judgement. This means that any value goal or social destination must embody the concrete socio-historical reality.

NOTE A

Power, Law and the Reconstruction of the Value System

Yu Wujin

If the relationship between philosophy and the economy is not to be investigated abstractly, within the limits of the Chinese market economy its most remarkable contemporary feature is the great role of intervention by administrative power. Were the element of power to be set aside, it would be difficult to research the link between philosophy and the Chinese economic development.

This phenomenon is reflected both in the planned economy since 1949 in China, and in the totalitarian tradition which has always taken power to be most important. At first sight, a planned economy should produce excellent economic order, but in fact it gives rise to an anarchic situation because, being insensitive to market dynamisms, it tends towards disorder.

Several years ago, the new political theory on "new authoritarianism" appeared in China whose representatives believed it would promote development of a sense of the market and democratic politics in China through a good use of power. But it left unanswered the questions of how to market and of democratic politics.

But the real authority should be the law. However, because of lack of development on the part of the Chinese economy, it is not easy to realize the authority of law in the workings of the market economy.

Many instances of corruption in Chinese economic life give evidence of the importance in China of setting up the authority of law. This is related to building a new value system in China, which in turn has reference to an understanding of the Chinese traditional culture.

We live two paradoxes: The first is that, on the one hand, the tradition makes the person while, on the other hand, the person makes the tradition; the second is that we must change the tradition.

This requires first knowing a coordinate for choosing the tradition. This should be objective, not subjective, for the former is suited to the objective needs of the contemporary Chinese market and such ideas as freedom, equality and democracy.

If we set up objectively our own value coordinates, the tradition will become transparent. One cannot understand the past, if one does not know the present. So the most important thing is not abstract argument from one concept to another, but reflection and understanding of the nature of the present Chinese lifeworld.

NOTE B

The Economic System and Morality: a Brief Exploration

Shou Dongfang

The relation between the market economy and morality is a difficult problem for modern society. From the theoretical view-point, the economic system is related basically to the collaborative efforts of human beings to provide for their existence; as an object of social science, it again is closely related to the study of the desires of human beings and their methods of providing for their existence. Therefore, the economic system and morality interact closely now as in the past. The economist L. Haney held that the earliest specific form of economic thought appeared in the classification of human beings into social strata and the disposal of objects during life and at death (L. Haney, 1901). Those economic thoughts often were expressed in the form of moral requirements, and different economic systems in different ages generated different moral ideas. The market is meant to solve a fundamental economic problem faced by all societies, that is, who will produce what goods for what people? There are two main ways to solve this problem in modern societies: a command system and a market system.

In a command system all decisions regarding what is to be produced, who will produce it, and who will get it are made by a single authority or a committee. The authority communicates these decisions to the members of the system, and all takes place in accord with their commands. Centralized management is a logical result of the command system. This does not mean that we need no plan for production: if we wish the distribution of income and wealth to coincide with a specific criterion, we certainly need a plan (F. Hayek, 1944). The centralized plan in a command system, however, means that we must centralize the command of all the economic activities of the members of the society (Charles E. Lindblom, 1977). Individuals have no freedom and cannot arrange their own actions and needs according to their own conscience. Production for use as well as for ethical goals replaces production for profit.

In principle it is impossible for the government, a committee or any human being to allocate natural resources with the same efficiency as the market, because human beings cannot have enough information nor calculate rapidly enough to coordinate efficiently the hundreds of thousands of daily exchanges required by a complex industrial economy. We have no value context which conveys and contains everything. The authority or committee which makes the rules of action for people in a command system actually becomes "a factory which manufactures the moral norm", and then those "special products" are sold to the people under compulsion in a command system, every detail of the plan is actually a governmental and absolute moral order; the plan itself is wholly free from criticism. However, the plan with its complete details devised for the development of thought leads only to a stagnation of thought and a decline of reason.

The other main economic system in modern society is the "free market", within which individual firms -- each privately-owned and desirous of making a profit -- make their own decisions about what they will produce and how they will produce it. Each firm then exchanges its goods with other firms and with consumers at the most advantageous prices it can obtain. Naturally, a free market system cannot exist unless individuals are legally free to come together in "markets" voluntarily to exchange their goods. The debates about whether government commands should intervene in the market or whether the market system should remain free of all government

intervention began in the 18th century. But there are no pure market systems; that an economy be partially coordinated by a government does not contradict the free market system.

As an economic system, the market economy is more efficient and moral than a command system, though it also breeds confusion. Many pointed out that the market economy places all social life under the price mechanism, for under this system every-thing has its price: its value is its price. It is important to explore the "moral failure" of the market economy and to treat it. This paper, however, will not discuss in detail the negative morality of the market economy, but instead will describe briefly its positive influence on morality.

The market economy has not only such laws as cost-benefit analyses and efficient disposition of natural resources, but is also interlocked with the subject of economic behavior and hence with the behavior, thoughts and requirements of human beings. For individuals the existing social relations and economic orders constitute the unchangeable objective order in which they exist. If one wants to attain one's goal, one has to be involved in this order and adjust oneself to it (L.V. Mises, 1936). Under this condition, the objective social economic process nurtures and chooses its economic character and creates its own norms of behavior and spiritual ethos.

People adjust their action to each other in competing in the market economy where everyone is free to judge the relations between complex interests. Under social laws whereby people can trade and sell freely, the economic system molds a cohesive personality -- make good choices, be responsible -- and there is no lack of ethical character in modern economic society. As long as we are responsible for our interests, and have freedom to choose or to give up one's interests, our decisions embody moral values. Thus the market exchange implies a moral foundation.

Life is determined by various factors in a market economy, the choice of which may be synthesized in many combinations, such as different individual's material interests, occupations, market and price. All these different objective material interests naturally engender different moral ideas, which would not correspond to a single moral norm. Any attempt at static moral demands or a perfect standard norm would be futile; everyone's choices enter into the overall measurement of value. In fact, in our economic life we often make choices between different values, and need no advice in doing so. This does not mean that our moral concepts are fragmented (F. Hayek, 1944). To primitive man, all daily activities were subject to unnecessary and overelaborate formalities, and their moral ideas expressed their natural identify, but that age has become an historic relic. The modern ethical spirit, born from its economic order or market economy, is not a series of monotonous, inflexible, and stereotyped moral norms, but a pluralistic, tolerant, and multi-layer series, through which we can obtain a dynamic balance between moral ideas and social realities.

On the other hand, the social requirements of human beings are multifarious and complicated, and the different modes of life of different strata and varieties imply various choices regarding social values, reflecting interpenetration and influences of different types. Under these conditions a demand for a uniform morality often evokes contrary results. So, from reason and experience we should take the pluralism of moral ideas in the market economy, not only as an effort at understanding and interpreting the questions presented by the actual economic world, but also as the result of re-training and of sublimating the moral ideas attained through individual decision and choice in one's own economic life and behavior.

It is often asked whether the rules of the market economy can be examined by morality? The market economy encourages people to do whatever is in their best interest; it leads people to do various things in the pursuit of profits. Theorists associate this most closely to ethical egoism. The spontaneous order of market, however, does not mean that it allows all the things without law and

principle "in a laissez-faire" manner. It seemed to Adam Smith that an "invisible hand" releases profound energy which inevitably leads to furthering the public welfare. On condition that one does not offend the law of justice, everyone should be given full freedom to take one's own way in pursuing one's profit and to compete with anyone or class on the basis of one's own work and capital:

By directing his industry in such a manner as its produce may be of the greatest value, the individual intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end that was no part of his intention. . . . By pursuing his own interest he frequently promotes that of society more effectively than when he really intends to promote it.

The "invisible hand", of course is market competition. Every producer seeks to make his or her living by using one's private resources to produce and sell goods. A multiplicity of such private firms must all compete with each other for the same buyer in a competitive market, each wanting to supply what consumers want. Apparently, the competition produced by a multiplicity of self-interested private sellers serves to lower prices, conserve resources and allocate resources efficiently. We can see without any analysis that competition is the central philosophy of the market economy, and that all its aspects -- efficiency, business success, and increased employment -- are themselves ethical.

It is obvious that unrestrained self-interest will unavoidably lead to acquisitiveness, and even destroy the success and wealth obtained (G. Schmoller, 1892). A great contribution of the classic economists and most philosophers of the 18th century is that they discovered that on condition that there be a suitable system of laws, the individual's self-interested activities can benefit society (J.M. Buchanan, 1986). They built a bridge of which one side led individual freedom and the other side was tied to the legal system. It is a by-product of the development of a market economy that, through perfecting laws to establish an individual share, everyone can pursue their self-interests without conflict. So far as the behavior of any individual does not offend the social legal system and intrude on the freedom of other people, it should be provided with maximum protection against outside obstacles. Therefore, morality is used not to suppress the self-interested desires of members of society, but to order those desires toward fulfillment in the development of history. In practical life the many demands of human beings are elevated to a response to the duties imposed by history, or to an affirmation of the laws of social development. This is not the same as to draw a sketch effectively rooting objective historic logic in the interests and emotions of human beings, which demands would in any case be blank and impotent. The reason the market economy can arouse the strong emotions of human beings is that it does not ask the people to do things that violate their interests. The individuals' concerns for their own material interests are but a very small fraction in the whole area of social interests, and the measurement of value is always limited by individual conceptions. Under these conditions it is inevitable that the different measurements by individuals will meet with contradictions and conflicts. The characteristic operation of the market economy logically necessitates protection of individual rights to choice and value preferences rather than those regulated by society, and acknowledges the individual as the ultimate judge of his or her interests, goals and requirements.

4.

Economic Development as Self-Awakening and Self-Destruction

Hu Zhenping

Nowadays, the relation between the development of the economy and of an independent personality has become a problem of concern to many thinkers. No one, at present, can deny the great effect of economic development upon the evolution of human society, but its influence on selfhood has not always been positive. It is necessary to analyze correctly this dual influence, especially its mechanism, in order to eliminate the dross and select the essence of the process of economic development today, and to cultivate the ideals of personhood and society.

Self-Awakening

By economic activity man reforms nature in order to meet the material requirements for survival and development. Economic relations between human beings are a necessary means for carrying out such productive activities under certain conditions. Through productive activities the material wealth produced by human beings is, in turn, put into production affecting its form and the manner in which economic development influences, and even creates, the subjective personality through economic activities. There is a Chinese folksaying, "Food is one's life". It is in these productive activities through the medium of tools that one's understanding and initiative in transforming the world and human sociality gradually develop; human initiative cannot deviate from human sociality. This essential human capacity is objectified in productive activation. People directly perceive themselves through the transformed object and recognize therein their essential power. In such a way, one can divide him/herself from the surrounding world and is able to gain self-consciousness. Thus, self-awareness comes from one's productive activities in transforming the objective world. With the development of the economy the power of productive activities increases, and one is better able to be conscious of one's capabilities.

But, as humans developed from the natural world, they naturally relied upon that world. With the development of production such reliance is broadened and deepened. The extent to which we transform nature will be the same as that to which nature influences our life. This is an essential part of our modern life and only by way of understanding such dependence clearly can we assure our position in the world, and develop ourselves in the complex relations between ourselves and nature.

Apart from dependence on the natural world, people depend particularly on the society they form. Although rooted in material productive activities, self-consciousness is greatly and directly influenced by one's social status, i.e., relations of production which form the foundation of the whole society and of one's status in the special relations of production. When productive force developed to a certain level, dependence on the material conditions of production was transferred by private ownership to dependence upon humans. As a result of production relations of exploitation, oppression and enslavement of humans by humans came into being. This complicated the establishment of an independent personality. Through the medium of relations in production the contradiction between one's subjective initiative in productive activities and one's dependence upon nature, was enlarged and refracted, creating a variety of personalities.

Through the Industrial Revolution, represented by a broad use of ironware, agriculture, animal husbandry, forestry and handicrafts, developed greatly and commodity exchange came into being. This brought prosperity to the slave system in the Greek city-state, and promoted the advance of a slave democracy. Against such a background, Protagoras's proposition emphasized the position of the human subject, "The human being is the measure for everything." As a result, Socrates began to shift the focus of philosophical study from nature to humankind.

After the growth of the economy and of population in the prolonged Middle Ages, an economic revolution, represented by the development of cities, broke out in West Europe in the 12th century. Many craftsmen came into the market with their products and lived together nearby. This is considered the most satisfactory and advanced explanation of the origin of cities. The development of cities with the freedom of its citizens encouraged slaves to flee which quickened the decline of the slave system and the collapse of the older natural economy. The Middle Ages, lasting for 1000 years, finally was shaken from its roots, while a newly developing society of townspeople -- bourgeois society -- was conceived, emerged and developed. The affirmation of essential human rights in Renaissance times was the necessary condition for the mode of production and way of life of this newly developing society. Finally freed from the imprisonment of thought by the feudal autocracy, people realized their rights and status, their freedom and dignity. This self-awakening was the most significant achievement of the Enlightenment movement.

The appearance of the commodity and market economy was a great change, caused by development in the mode of production and in the way of life. Originally production was only for oneself or one's owner and seldom was bartered, but now it became production of commodities mainly for sale. The purpose of production was not just to meet one's own needs, but to make money. Such production has two sides: on the one hand, production is really social (without society it would be unnecessary and impossible); on the other hand, producers are independent and equal to one another. By contractual relationships they exchanged materials with each other in society. The independence of each producer is the necessary premise of a wide exchange of commodities and social connections. Such a mode of production puts aside the feudal limitations and gives the producer an independent position. Consciousness of independence with a "capital I" was cultivated. One not only displays one's power as a fact of nature, but also manifests the need of independence and of standing on one's own beyond the dependent relations between persons which had lasted for thousands of years. The appearance of market economy played an important role in the self-awakening and forming of an independent personality.

However, on recognizing the active role played by economic development in self-awakeness, we must not ignore the negative phenomena destructive of selfhood in the process of economic development:

- In large-scale industrial production, although in appearance the laborer acquires independence of personality, in fact one is enslaved to matter and to others. One loses one's freedom in carrying out one's human labor: whereas one should be the owner of one's labour, now one becomes a tool for others who make high profits. One loses one's nature in dull and dry work, day by day.

- After the overthrow of the feudal system, the bourgeoisie eliminated the stratified dependent relations between persons but began to prostrate itself in worship of property and money. It was greedy for high profit even by unjust means and wantonly trampling on the human rights of others, despite the norms of personhood it previously had promoted. The freedom, equality and universal

fraternity sought by Enlightenment thinkers did not emerge. The awakened selfhood is independent in form; but driven by money and material benefits, it becomes in fact an economic animal.

- The undue and uncontrollable economic inflation caused by a mad pursuit of profit destroys, in turn, personhood in every respect, going so far as to lead human beings into such conflicts as the World Wars of this century. The conflicts arising from economic development are expressed in the form of political and military struggles. Science and technology, the great forces for developing the economy, are turned into powerful means of destruction. All this bears a profound lesson to which many ethicists and philosophers have devoted deep reflection.

It should be noted that such destruction of personhood happened before the World Wars. It can be traced to the discovery of the New World in the early history of capitalism, to the extermination of aborigines, to the sale of black slaves. The evil levers of the economic development of oneself, one's race or nation, were willingness to exploit the laborer, to persecute small and weak nations, to plunder another nation's resources and for developed nations to fight among themselves. They brought about the development of economy, but were accompanied by great agony and the destruction of human personality. They brought also unprecedented disaster to the whole world. Only through such disasters did people gradually come to realize that beyond economic interests there were other important goals to pursue.

- In rapid economic development, there lies the possibility of a latent crisis which can destroy the environment necessary for human life. Humankind developed from the natural world, but cannot live without it; it must develop itself in opposite and coordinate relations with the natural world. Selfhood cannot be without the non-self; if selfhood destroys the non-self, selfhood loses its essential condition for life. When economic development exhausts natural resources and destroys and pollutes the environment beyond the limits of the ecological balance of the natural world, it evokes a revenge from the natural world, which is an even more serious disaster. However, the belief in profit-making and in putting present interests first "regardless of the flood after my death" usually expands human greed and blinds one by lust for gain. Under such circumstances, the more rapidly economy develops, the more one plunders and destroys nature. The fact of environmental pollution and ecological disequilibrium in the present world is clear proof of this. If it be allowed, then the way to develop the economy would be that of self-aggrandizement and the self-destruction of human beings.

A concrete analysis of the above-mentioned negative phenomena would show that they appeared in the process of economic development, but are not always the direct result of economic development. Their appearance usually is connected with the mode of production, which acts as a medium. The reason why workers are enslaved by matter is the capitalist mode of production. The reason why the capitalists prostrate themselves before money is that they are driven by the mechanism of interests of the capitalist market economy. Should they abstain from making money and from competition in the market they would not be able to subsist. Conflict between human beings, as well as the destructive results of human plunder, come from the mechanism of interests. The rapid development of science and technology can be utilized for both the weapons of death and the peaceful life of human beings, even for the prevention war.

The rapid development of science and technology can be utilized both for the destruction of the natural ecological environment and for the reconstruction of the beauty of nature and for constructing a more coordinated ecological environment. The difference depends on the kind of society of human beings. Here, the basic system of the social economy and its mode of operation

play an essential role for they not only control human economic activities, but also fundamentally affect the political life and the formation of a human pattern of life.

The capitalist mode of production is an inevitable outcome of the development of production forces at some stage. Although it brings about rapid economic development and self-awakening, it engenders also the above mentioned evils and causes the destruction of self-hood. In the final analysis this has two reasons: the first is the private possession of the means of production. This determines that the minority may use means of production to that detriment of the majority of ordinary laborers. As a result laborers become their means of profit-making for the minority and lose their own independent personhood. This surely causes a conflict of interests between one person and another, between persons and society, and does harm to the social interests of human beings in favor of their particular interests or those of their group.

The second reason for the above evils is the mode of operation of the market economy: the market is the means for the optimum distribution of resources. The market's sensitivity to prices, fair competition and the promotion of excellence all stimulate the worker's enthusiasm and personal initiative to reduce costs, raise efficiency and serve social needs. As in other economic action the relation between the laborers and the society employs the market as an intermediary and uses the general equivalent -- money -- as its direct purpose, in addition to the factors of keen market competition and the adjustment. This generates in producers and managers a tendency to unduly pursue profit and economic gain, and to strong measures against other competitors to gain some advantage. This was the more true especially in the earlier stages of the market economy when the laws and regulations for the operation of the market and for human behavior and morality were still imperfect and confused. The system of market economy came into being originally under the conditions of the system of private property with its negative role. Apart from the laws of economic development and of science and technology, it was for this reason that the productive forces in the capitalist society developed so rapidly, and why in the early days of capitalist society the workers were cruelly exploited. There was ruthless competition and mutual deception between capitalists, and the capitalist countries cruelly plundered the colonial and semi-colonial countries.

The dual crisis of self-awakening and self-degradation caused by economic development is clear. On the one hand, it aroused a strong sense of self with independence, initiative, self-esteem and self-consciousness; on the other hand, it caused an expansion of self-leading to conflict between persons and a deviation and degradation of selfhood itself. These contradictory phenomena caused by the dual effects of economic development should be solved by further development of the economy. This settlement, of course, requires certain economic relations and modes of operation.

Shortly after the beginning of capitalist society, the socialist movement, especially in its communist mode in which Marx was engaged all through his life, was directed toward eliminating the system of private possession and the capitalist mode of production as a way of resolving these contradictory phenomena. Usually it is forgotten that Marx's theory takes the development of productive forces as its basic premise and final conclusion. The historical contribution made by Deng Xiao-ping is due mainly to his not only persisting in Marx's ideal, but also recognizing its premise and conclusion. For this reason he founded the pursuit of his ideals upon economic development. Hence the special significance of China's socialism in the development of the economy and of independent human personalities is to utilize the market as a means for economic development, to promote the active role of self-awakening, and to combine the market economy with socialism in order to construct a socialist civilization, while reducing and overcoming the negative effect of the market.

5.

The Philosophical Significance of Economic Activity

Yu Xuanmeng

People seem to be indifferent regarding the philosophical significance of economic activity. This is because they are concerned only that the economy makes a country strong and the people wealthy, whereas philosophy is generally taken as speculative metaphysics. While people are busy with all kinds of economic activities, who would be concerned about philosophy? Even when education is considered as an important element of economic development so that colleges and universities prosper, the department of philosophy is a lonely place -- according to the Chinese saying: a deserted place where one can even catch a sparrow in front of one's door. Should philosophy vanish from the social life after it had completed its mission as vanguard when people needed to liberate their thinking? Actually, this is not the case of philosophy alone; it is the same for the so-called fine arts, such as classical music, ballet and even basic science which do not make money directly. This phenomenon itself is what philosophy should investigate.

People might think that existence comes first, and that then there can be other development. On the basis of the development of the economy, one could expect prosperity for the fine arts. But though living conditions are better than ever before, we do not have a better culture today, especially in such fields as philosophy, literature, etc. We must conclude that we are now in a period in which economic activity prevails in social life more than ever before, whereas the other aspects of social life are all secondary.

It might be supposed that the above is the case only in the developing countries and that in order to catch up with the developed countries it is necessary to take economy as the main target, while temporarily neglecting the rest of the social life. But when we look at the developed countries, the situation is no better than in the developing countries. What we see is that culture is seriously commercialized so that art collecting is taken as an investment. There even comes a new word: economic animals, to describe some people who are totally absorbed by economic activity.

We do not intend to neglect the importance of economic activity in social life. On the contrary, we are fully aware of Aristotle: "When all such inventions (art and technique directed to the necessities of life and recreation) were already established, science (philosophy) which does not aim at giving pleasure or at the necessities of life was discovered, and first of all in the place where men first began to have leisure." It has been more than 200 years since Aristotle, but we seem not to have the leisure to do philosophy today. Instead, we are even more busy than ever before in doing business, so that we have a new conception of the human as an economic animal instead of the classical definition of "rational animal".

People may not be happy to accept the economic animal, but is there any reason to improve on the above situation; can philosophy show us the way out? To the best of my knowledge, philosophy has never had the power to do so. What philosophy can do is to observe economic activity and try to find out where it will lead us in terms of human life. This task falls on philosophy because, being excluded from economic activity, it has the leisure to do so. This paper will focus on the following aspects: the impact of economic activity on the relationship between the human being and nature, the impact of economic activity on the essence of man, and the impact of economic activity on the meaning of human life.

The Impact of Economic Activity on the Relationships between the Human Being and Nature

Human beings come from, and are a part of, nature. Through economic activity human beings become superior to all other animals and the masters of nature. This activity includes as its basic aspects: production, consumption, commerce and finance. Among them, production is fundamental as it provides for human beings the necessities of life, whereas finance is a somewhat formalized economic activity which prevails especially in our days. The relationship between man and nature changes along with the development of economic activity.

The primitive means of living for human beings were hunting and gathering collecting. At that time human beings were in a totally natural state. They obtained their food from the abundance of nature, that is, the existence of the plants and animals which human beings took as food in the last analysis depended on climactic and geographic conditions. The survival of carnivorous animals depended upon there being a sufficiency of herbivorous animals; the survival of herbivorous animals depended, in turn, depends on there being sufficient plants. Human beings obviously did not then occupy a superior position among the animals. Though they caught and killed animals, at times they could also be killed by beasts. Their power against natural disasters was rather weak. All of these limited the population and the life span of human beings.

It was by agriculture and animal husbandry that human beings first in a sense escaped the limitation set by nature. Human beings began to produce their food instead of it being given by nature. This not only improved the security of their conditions, but also increased their population and life-span. Given enough food, some people had more free time to develop all kinds of skills, mental and physical, which in turn promoted production, so that gradually there emerged all walks of life. The division of work requires an exchange of products. Today we cannot count the walks of life had by human beings.

By economic activity, the relation between human beings and nature has been greatly changed. Nowadays, people produce enough food for a population of 5.6 billion, which would be impossible in the natural state. Some deadly diseases are controlled; the average life-span of people in most areas of the world reaches the 60s or above. The fierce beasts which threatened human beings before can survive now only under the special protection of the human beings. By the late 1960s people went to the moon, showing that human beings can even survive outside the earth's ecosystem. People make use of all sorts of natural resources and compose many new materials; by changing genetic factors, they even create new species. People are proud of their achievements, which makes them think that they are the lords of the earth.

Human beings cannot achieve such great things without economic activity. Of course, science and technology play a very important role in the above process, but only as a means. When human beings are content with their achievement perhaps we should consider what happened to nature itself: How will a changed nature influence human beings? Nature has been changed in many aspects. Ever more forest is destroyed and its land is being ploughed; intensive fishing extends to ever further seas so that the number of natural species is being rapidly reduced. The reduction of vegetation is a very serious problem for the oxygen which is essential to all living things. Although seed selection makes for high-yielding crops, the purification of the plant in turn makes it less robust as a species and more susceptible to infectious disease. The use of chemical fertilizers and pesticides has badly polluted the environment, and the harmful elements accumulate in the human body. Although the earth is a huge store of natural resources and there are still great hidden resources, most cannot be renewed so the human beings' use of them must stop. With the use of

energy, there comes more and more wasted gas and water. The earth is not as it was before. To live under such a new environment, the human being must change itself physically.

The Impact of Economic Activity on the Human Essence

The essence of the human being, or what a person is, also changes as economic activity develops. One of the most obvious changes of the human being is in his physical body. For instance, man's hands are very nimble. When we enjoy beautiful music as fingers attack the keys of a piano, when we observe a micro-carving under a microscope we cannot but be proud of the function of human hands. But in some other aspects, the human physical body has become relatively weaker than in the natural state. We live in ease and comfort: we have a house to shelter us from sun and rain, clothes to keep us warm, means of communication to go everywhere, and machines to do difficult work so that the human body becomes tender and fragile. We wonder whether one can still live in the natural state. The human being is the only animal in need of physical training in order to keep healthy, while women feel great pain in giving birth to a child. Besides, human beings may have some special diseases which cannot be found in the natural state, such as various professional diseases. Ironically, some people may even have diseases caused by over nutrition (though, not everyone gets enough to eat). Still there come mental or psychiatric sicknesses which we may call civilization sicknesses.

The essential change of human beings through economic activity is that they become totally civilized and are informed by culture. Since in economic activity social organization becomes more and more complex, only civilized people can live modern social life. The civilizing influence is carried out through education which includes two basic aspects: professional training and education in the norms of social conduct. Professional training may help a person find a job, especially in developed countries, while the norms of social conduct are needed for maintaining social order and stability.

The Impact of Economic Activity on the Meaning of Human Life

In daily life the influence of civilization can be observed everywhere. When we are introduced to a new friend, we would say only our occupation and degree. But as a person everyone knows that one also has one's own character, disposition, feeling, wisdom, desires and so on. The situation is even more serious in the highest and most formalized level of economic activity, finance. As a type of economic activity this developed relatively later, but soon has come to occupy the leading position in economic activity. Through credit and investment, it controls production, consumption and commerce. It formalizes economic activity by directing the flow of money. One can own an enterprise without being a specialist if one has enough money. All is simplified according to numbers: the account number, the credit card number, etc. The amount of money in the account and credit card represents one's ability and position; in contrast one's occupation and degree are reduced to a level of secondary significance.

Social norms usually include custom, morality and law. But when economic activity prevails over social life, law comes to play the most important role, for the principle of justice is necessary in exchange and finance. As a result, the human being now is expressed by a new term: the legal person.

The above discussion shows that economic activity has both positive and negative effects. People might say that what we gain in economic activity is more than what we lose, and that we

need not talk about its negative side? But what is meant by more or less in these matters. Not everything can be measured by counting. For instance, if the pollution of water and air is not controlled but continues, the earth will not be fit for living things in the future. So what is more important, a better life or life itself? One might say again that human beings have the ability to invent some new technological means to solve the problems, but if we do not lend adequate attention to the problems they cannot be solved. According to a Chinese proverb: One suffers in the future if one does not care sufficiently in the present. People have not paid enough attention to the above problems; even though they understand the seriousness of the problems theoretically, they still do not attend adequately to them.

The negative side of civilization is not easily neglected because people usually think an educated person is a cultivated person, in contrast to a savage. Though in the process of civilization the person might be alienated, still we do not know what the human being might have been like if not alienated. Perhaps here we need to compare a moral with a legal person. When conducting oneself according to law one's acts are clearly and exactly defined. Hence, we can know what a legal person would be like even before he or she acts, but there is no room for originality. In contrast, for the moral person the good is the supreme aim, but up to now there seems no convincing definition of the good. At best, we read in Kant that the good is not a concern or interest, but is the absolute command or categorical imperative. But because the good cannot be clearly defined it leaves plenty of room for a moral person to create beautiful deeds in his or her life. Seeking the good, a moral person is free and open, and creates oneself as a perfect person. Nothing is more beautiful than a perfect person though not every-one know this. One might feel sad about a defective work one produces, but if one is not aware that each person is one's own product, one would not feel sorry about oneself.

The life of a human being has many aspects, of which economic activity is but one -- though a very important one. All these aspects join in constituting an integrated life. Hence, we must not neglect any aspect, for should any parts of life be neglected then the life itself would be defective.

Session III. Liberal Economic Theory and Pragmatism

6.

Tension and the Healthy Development of Society

Yang Fenggang

Give me a place to stand and I will move the world. Archimedes

The Confucian ethic failed to move the world precisely because its worldliness denied it a place to stand outside the world. The Protestant ethic, on the other hand, had such a place to stand, its transcendental God and its conception of salvation. In precisely the ascetic aspect of its ethic lay its driving force. Parsons

China is changing. The speed of economic growth and social change is impressive to many people both in China and throughout the world. A great energy has been released which built up over years, decades or even centuries. Today people are full of excitement, fascination and imagination in the effort to improve their material life, create a prosperous society, and strengthen the nation. The sleeping lion, as Napoleon once said of China, may be in the process of awakening. This must be one of the most exciting periods in the long history of China. However, the dramatic changes also cause uncertainty which worries people as well as excites them. Accompanying the great changes, there are increasing social problems: society-wide corruption, a mood of social degeneration, the disintegration of the family, unscrupulousness in production and commerce, an expansion of selfishness and egoism, irresponsibility, superficiality, impetuosity, and so on.

It may be a common historical phenomenon that along with great social change there is an increasing moral crisis. This might be so common that many people regard it as natural or even necessary, and think there is nothing that can be done about it. The problems have reached such a dangerous degree that they may seriously imperil society and its healthy development. Without a sober grasp of the current situation and potential problems, without an effective understanding and exploration of the alternatives, we may soon encounter irreversibly destructive developments in our society. People who share these concerns are working hard -- as they must -- to discover the wisdom needed to deal with the problems and to strive for a healthy development of the society. In order to fulfill this historic responsibility, it is a necessity for us to draw ideas from all available resources and examine them from all available angles and aspects. This paper, based on unavoidably limited knowledge and reading of social history, would call attention to the concept of "tension" in social development. A healthy development of the society needs tension; the more rapid the social changes in its material aspects, the more tension the society needs.

The following pages will first trace the development of the concept tension, then examine its expression in history and in contemporary Western society: tension in the differentiation of moral authority and civic authority, in the parallel revolutions of material advancement and spiritual renewal, and in social change. The social organizational aspects of tension also will be noted. Lastly, I will try to point out some misunderstandings regarding related aspects of Western culture.

Weber's Concept of Tension and Its Critique

"Tension" has not been a central concept in academic writings. However, there have been some relevant discussions in various sociological works following Max Weber, one of the

founding fathers of sociology. These follow two lines of development. On the one hand, Weber raised the concept of "tension" as one of the important terms in understanding the religious function in social changes, though his comparison of Confucianism and Christianity in relation to tension has been criticized by many contemporary scholars. On the other hand, Weber's ideal-typical classification of religious institutions has been developed into theories of social institutions and movements in which the "tension" variable is used to replace "ideal types." In this and the next sections I will discuss these two lines of development respectively, with a view to a clear understanding of the concept of "tension."

In *Sociology of Religion* Weber introduced the concept of "tension" in analyzing the attitude of various religions toward the world. One religious attitude toward the world is called "asceticism"; it calls for rejecting or opposing worldly things and interests. This rejection or opposition to the world causes tension with the world. The asceticism of those who completely reject, and hence withdraw from, the world is "other-worldly"; the asceticism of those who oppose the world, but stay within it and try to transform it according to the ascetic ideals, is "inner-worldly". Very often Weber's usage of "asceticism" refers to "inner-worldly" asceticism. According to Weber, a person who holds this kind of asceticism would become a reformer or revolutionary because the constant tension with the world would be a force driving the person to strive to reshape the world and society (Weber, 1963:166). When the ascetic ethic becomes the ethic of a social institution, it can be an institutional force in opposition to other social institutions:

To the extent that a religious ethic organizes the world from a religious perspective into a systematic, rational order and a cosmos, its ethical tensions with the social institutions of the world are likely to become sharper and more principled. . . . Indeed, the very tension which this religious ethic introduces into the human relationships toward the world becomes a strongly dynamic factor in social evolution (1963:209-210).

The more a religion systematizes and internalizes an ascetic ethic, "the greater becomes its tension in opposition to the world (1963:207), and the more strongly its driving force produces social change.

Weber believes that Puritanism is the best example of this asceticism. Following the biblical teaching "to be in the world but not of the world", Puritanism generated high tension with the surrounding world and worked vigorously to change society and the world with religious zeal. It did not lead to an abandonment of the world, but to its reformation. Puritan asceticism emphasized the importance of the spiritual life, salvation, and the Kingdom of God; it opposed material goods and worldly interests. However, "by a unique paradox, asceticism actually resulted in the contradictory situation, . . . namely that it was precisely its rationally ascetic character that led to the accumulation of wealth (1963:218).

Because the Puritans regarded their this-worldly life as an opportunity to show that they were God's elected individuals, any occupation could be a calling of God, and worldly success became a sign of divine election; therefore they could accumulate material wealth not for material interests, but for spiritual salvation. This ascetic ethic enabled people to accumulate the capital and pursue business success for success itself: this is the spirit of capitalism. "The inner-worldly asceticism of Protestantism first produced a capitalistic state, although unintentionally, for it opened the way to a career in business, especially for the most devout and ethically rigorous people" (1963:220). In other words, asceticism with its high tension with the world based on religious beliefs contributed to or caused, at least partially, the rise of modern capitalism. The contribution of this ascetic ethic

of Protestant Christianity to the rise of modern rational capitalism is the central theme of Weber's monumental work, *The Protestant Ethic and the Spirit of Capitalism*. This theme continues to be relevant in comparative studies of the modernization process of various societies and cultures throughout the twentieth-century.¹

For Max Weber, Confucianism is at the other extreme, for there is no tension whatsoever toward the world in its ethic. Weber believes that the Confucian ethic simply appropriates the general virtues of life within the world, for example, it places tremendous stress on familial piety. In contrast, congregational religion, especial Protestant Christianity, sets one's co-religionist in the place of fellow clansmen. The Christian advocacy of brotherly love within the congregation, rather than within the family or along blood lines, produces tension, whereas Confucian emphasis on filial relations conforms to the worldly and natural tendencies of people. In *The Religion of China*, the sharp polemic contrast between Confucianism and Protestantism in terms of the state of tension occupied an extremely important position and was treated at length. In this book, Weber repeatedly expressed the view that Confucianism, or the traditional Chinese mind in general, lacked a sense of tension between the sacred and the secular orders. Neither in Confucianism nor in could Chinese religiosity produce sufficiently strong motives for a religiously oriented life as presented by Puritanism.

According to Weber, the lack of tension in Chinese traditions resulted from the lack of a concept of the transcendent or super-natural and superhuman God. Orthodox Confucianism was almost purely an ethical doctrine, a collection of practical precepts without any explicit metaphysical foundation. Not only was a transcendental God absent, but almost anything beyond this world was ignored, if not totally denied:

In Confucianism there prevailed, anyway, an absolutely agnostic and essentially negative mood opposed to all hopes for a beyond. Even where this stand had not permeated or where it was outweighed by Taoist or Buddhist influences the interest in man's fate in the beyond remained quite subordinate to the possible influence of the spirits on life here and now (1964:145).

Because of the lack of a transcendent or of a personal God, there was no foundation on which tension between the categorical demands of spirituality and worldly reality, between high standards of morality and secular trends, could be based. Without the tension and its foundation - the transcendent -- prophecy became impossible:

A true prophecy creates and systematically orients conduct toward one Internal measure of value. In the face of this the 'world' is viewed as material to be fashioned ethically according to the norm. Confucianism in contrast meant adjustment to the outside, to the conditions of the 'world' (1964: 235).

This was a practical rationalism seeking adjustment to the world. For this adjustment it developed an ethic which remained inner-worldly and lacked tension. Therefore, Weber concluded:

Completely absent in Confucian ethic was any tension between nature and deity, between ethical demand and human shortcomings, consciousness of sin and need for salvation, conduct on earth and compensation in the beyond, religious duty and sociopolitical reality. Hence, there was no

leverage for influencing conduct through inner forces freed of tradition and convention (1964:235-236).

Compared to Protestantism, Confucian rationalism was not the type which could inspire the spirit of capitalism.

From the above brief description of Weber's discussion we may summarize the meaning and connotation of "tension." Tension is a concept used to describe an attitude of opposition or rejection of worldly things. This may be expressed in many forms, including that between the sacred and the profane, between moral demands and worldly needs, between spiritual ideals and material desires, between religious duty and social-political reality, etc. Tension, especially internalized and systematized in an institutional ethic, may need the transcendent as its ground, based upon which prophecy as a call for change becomes possible. Throughout history tension has been the driving force for great social changes.

Weber's assertion that Confucianism lacks tension has met much criticism, especially among sinologists or scholars in Chinese spirituality. Some scholars argued that there was some concept of the transcendent in the traditional Chinese mind, which is reflected in the concept of "heaven" (*Tian*), or the "Dao", and that this transcendent may have provided the foundation of tension between the moral ideals and social reality (e.g., Yu, 1975; Metzger, 1977; Eisenstadt, 1985). Some scholars also argued that even if there was no clear concept of the transcendent, there were tensions nevertheless. These tensions have a different form from that in the Christian tradition, as have their solutions (e.g., De Bary, 1975; Eisenstadt, 1985). These criticisms have contributed to understanding Chinese culture, though most either concern minor details or lose focus by departing too far from Weber's original meaning and concern. Many scholars would agree that the concept of *Tian* or *Dao* had some transcendental dimension. However, these elusive and impersonal forces could hardly provide the solid and absolute ground upon which a high moral tension with society could be proclaimed and required against the traditional political order. Although they have some transcendental attributes, their impersonal nature severely limited their power to produce ethical prophets as social reformers.

It may not be too difficult to discover some kinds of tensions in the long history of China. The question is what kind of tension is it, how strong was this tension, and to what resolution did it lead. As many scholars of Chinese philosophy have convincingly argued, the central characteristic of traditional Chinese culture is its emphasis upon harmony or unity (e.g., Tang, 1991). This ethic of social and cosmic harmony failed to bring a radically different ethical order, as it did in the Judeo-Christian tradition.

Nevertheless, Weber's assertion that Confucianism or the Chinese mind was completely lacking tension seems problematic. There have been many rebellions and revolts in the long history of China. Although none of them brought such a dramatic change as causing the rise of a capitalist social system, some did contribute to social changes. Weber neglected change while focusing solely on what was stagnant in traditional Chinese society. Probably we can say only that tension was not typical of traditional Chinese society.

Tension and a New Theory of Secularization

The direct discussion of the concept of "tension" raised by Weber, as shown above, is focused mostly on the cultural-ethical dimension or moral-motivational aspect. However, there is another

line of development which focuses more on the institutional dimension; this began as a criticism of Weberian methodology.

Weber proposed "ideal types" as means of social analysis. Ideal types are analytical constructs:

In its conceptual purity, this mental construct cannot be found anywhere in reality. . . . They are used as conceptual instruments for comparison with the measurement of reality (Weber, 1949:91, 97).

Weber used the ideal types extensively as an effective analytical tool. Employing this methodology Weber introduced two ideal types of distinctive religious institutions: church and sect. Following Weber, Ernst Troeltsch elaborated the ideal types of church and sect which were regarded as the two main varieties of religious bodies in pre-19th century Christian Europe. Each type was identified by a host of characteristics that were seen as correlates of one another. Many scholars since then have worked on refining these ideal types. According to Thomas O'Dea's summary of these classifications of church and sect (1966:68) the ideal type of church has as attributes: (1) membership from birth, (2) formalized hierarchy and dogma, (3) inclusiveness, (4) orientation toward all, and (5) compromise with the existing society. The ideal type of sect has as attributes: (1) separation from the general society, (2) exclusiveness, (3) membership by conversion, (4) voluntary adhesion, (5) a spirit of regeneration, and (6) ascetic ethics. However, no matter how refined be this typology, in the real or empirical world it is hard to find any religious group that fits exclusively the definition of church or sect; most religious groups have attributes from both.

Gradually, it is being realized that the ideal-typical classification hindered rather than helped further research and theorizing, especially in the empirical social sciences. At this point, sociologist of religion, Benton Johnson, made a breakthrough by insisting on a single concept of "tension" in theorizing regarding religious institutions. According to him, "A church is a religious group that accepts the social environment in which it exist" (1963:542). The state of tension is the religious group that rejects the social environment in which it exists" (1963:542). The state of tension is the variable, and in a spectrum the ideal sect falls at one pole where the surrounding tension is greatest, while the ideal church anchors the other end of the continuum where the tension with the social-cultural environment is minimum or impossible to detect. On the one hand, church represents the established institution -- a stable sector of the social structure, a cluster of roles, norms, values, and activities associated with the performance of key social functions. On the other hand, sect is formed often with a wish to cause or prevent change in a system of beliefs, values, symbols, and practices. Religious movements are often organized by sects with high tension toward the social-cultural environment, striving to or wishing to become the dominant faith in the society. However, when they succeed and gain some dominance in the society, they become more institutionalized and the tension is reduced. Over time some sects or sectlike religious groups may become churchlike institutions. Their initial other-worldliness is reduced and worldliness is accommodated. This tension-reducing process is a process of secularization. However, this secularization process should not be seen as *the* destiny of religion in human history. Actually, this secularization process is "a self-limiting process that engenders revival and innovation." (Starr and Bain-bridge, 1985:429430). In other words, while the existing religious groups reduce their tension with the social-cultural environment some new religious groups with high tension will form and grow, and possibly replace the old groups in the religious market. Historically, there has been the

movement of the forming and growing of sectlike religious groups as well as the fading away of churchlike groups. Finke and Stark's sociological study of the religious history of the United States clearly illustrates historical scenarios which provide evidence for this theory. Since the American Revolution in the 1770s up until 1990, some religious groups (denominations) have grown while some others have declined. Whereas those denominations which reduce their tension with the society also decrease in membership over time, religious organizations with high tension gain membership and influence. The mainline denominations are churchlike religious organizations: they stopped growing when the tension reduced. However, the decline of mainline denominations cannot be seen as the decline of religion as a whole. Actually, many sectlike religious groups are formed and growing, and some factions within the mainline denominations which desire higher tension are mobilized into some special religious organizations and movements (Wuthnow, 1988). The assumption or the conventional wisdom about secularization is problematic, if not completely wrong. We will return to the secularization issue later.

What is of concern to us here is the development of the concept of "tension." Tension is no longer understood as an ideal type but as a variable of continuum. Looking at things in this way, it is rare that one tradition completely lacks tension while another has tension. The question turns out to be how much tension there is. Further, the tension concept is not only a concept, ethic or individual psychology, it is also an attribute of institutions, especially religious institutions. Social institutions may be empirically tested on their tension with the social world and secular trends. In any given society, there are always various social groups with various levels of tension, and a group's tension may be reduced or maintained over time. With this understanding, it may be more accurate to say that traditional Confucianism in general had low tension with the socio-cultural environment. More detailed research is needed on the various social organizations in different periods of Chinese history to examine their level of tension. However, the overall characteristic of the Confucian tradition, or even of the traditional Chinese mind in general, may safely be said to be one of low tension.

Moral Authority and Civic Authority

With this understanding of "tension," let us turn now to the social history of the West to see how tension has operated. First of all, let us examine the differentiation of moral authority and civic authority.

Christianity has been an independent social institution, both structurally and functionally. Christianity emerged as a congregational religion at its beginning. The community was composed of believers and was formed to serve the religious needs of its members. Its organizational structure was independent from and for a long time not tolerated by the governmental structure. Its attitude toward the world was to ask its believers "to be in the world but not of the world". On the institutional level, the early Christian church was in high tension with the surrounding society; Christians were hunted and persecuted for more than 300 years.² However, in the Middle Ages, when Christianity became the official religion, the Roman Catholic Church was allied with the Holy Roman Empire in many ways, and its tension with the society and the healthy development of society in general was reduced in many aspects. But, the spirit of independent authority was kept alive in the theology, if not so much in social life.

In medieval theology the secular world and the sacred world were distinguished. God created the world and gave a set of sacred laws for governing the world and human society. These laws are recorded in the Holy Scripture and in nature. The secular laws composed by people and

imposed by secular authorities may not always be in accord with sacred law, and when discordance between the sacred and the secular laws arose it would be necessary to correct the secular law to accord with the sacred law. The Church was seen as the moral authority over the civil authority, which was one of the reasons for the constant conflict between the Emperor (secular authority) and the Pope (sacred authority). The conflicts between the sacred and the secular expanded further within the Church itself. This was reflected especially in the Reformation which began in the early 16th century when the spiritual reformers, based upon conviction in the sacred message of the Bible, strongly criticized and protested against the Church for its corruption and cooperation with the Empire, and called for spiritual renewal and the upholding of high morals. Therefore, the Reformation can be seen as a religious movement for the increase of tension between the sacred and the secular, between the moral authority and the worldly authority. The Reformation resulted in the formation of Protestantism, which is a convenient name for various Christian denominations -- churches which broke the ties with the Roman Catholic Church and organized into different groups or "families." Institutionally, moral authority was diffused.

Modernization is a complex process with many dimensions. From a sociological perspective, institutional differentiation in general is one of these dimensions. Max Weber regards modernization as a process of rationalization in which institutions are differentiated in their structures and functions. In this process, two grand institutions -- moral authority and governmental authority -- are differentiated or separated through painful, sometimes bloody, struggles. At the beginning of the Reformation initiated by Martin Luther, which soon expanded to many areas in Western Europe, many of the spiritual reformers had to rely for support upon the secular powers -- the emerging nation-states -- in order to protest against the powerful hierarchical Roman Catholic Church which had the support of the Holy Roman Empire. The Reformation resulted in the formation of Protestant denominations some of which for a period achieved the monopoly status of official religions in different countries. In the society where there was the alliance of one religious institution and the governmental institution, those who had different beliefs were often suppressed, persecuted or expelled from the country. Many persecuted Christians immigrated to America in order to practice their beliefs freely. However, in the American colonies, those who were once persecuted in their original countries also gave their own church a monopoly in their territory, while those with different beliefs were sometimes suppressed or persecuted.

Not until the birth of the new nation after the Revolution and the constitutional disestablishment clause could the separation of church and state be legalized. This separation is one of the greatest achievement in human history, whose full significance is yet to be recognized and understood. Because of this legal separation, persecution of those with different religious beliefs becomes difficult. Individual freedom of conscience becomes a principle which is legally protected. Because of this legal separation, the functions of these two institutions are better defined and executed and the tension between moral demands and worldly reality can operate all the time. Churches and other religious organizations as an important sector of civil society constantly provide the checks and balances to government authorities, which provides a better chance for a healthy development of the society.

What is this formal separation of church and state resulting from the differentiation of institutions? Many people have a wrong impression of this separation, understand it as no relationship between religion and politics, or even freeing the government from the influence of religion. Actually, the separation is institutional separation: what is emphasized is freeing religion from government interference in any direction, either in favor or in disapproval. The first

amendment of the Constitution said, "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." This disestablishment clause rules out the possibility of the government imposing one religion as the official faith or persecuting members of another because their beliefs are repugnant.

The institutional separation of church and state does not stop the mutual influences of religion and politics, and religious influence upon politics has been taken for granted. Not only does the Constitution itself make explicit reference to the transcendent, but also the currency, national seal, national anthem, legislative prayers, and oaths sworn in federal courts all make explicit reference to belief in God. In presidential inaugurations, the oath of the President is sworn on the Bible, the ceremony is participated in by clergy, and the Presidents have no reluctance to make explicit reference to God in their presidential speeches, as well as at other important political events. It is not unusual for the government sometimes to seek input from the churches in the formation of public policy, especially those related to moral issues. Many scholars, such as Robert Bellah (1967), believe there is a civil religion of the United States which has been, and should be, the common ground for a democratic society.

However, it would be wrong to see the United States of America as a theocracy. Institutionally church and state are independent of each other; functionally, they serve different dimensions of the social life of the people. It is interesting to watch the constant tension the religious organizations impose upon the government and the society in general. Religious organizations and leaders put pressures, make moral condemnations and warnings, and provide alternatives in the making of public policy and the administration of government. The moral authorities and the civic authorities are separate, but they operate interactively to serve the healthy development of society.³

Parallel Revolutions

Tension has been in operation in the modernization process of the West. Along with a technological and material revolution, there has been a religious and spiritual revolution. There is a pattern of *parallel revolutions* in the modern Western history, which many scholars have difficulty seeing and accepting.

Since the Enlightenment in the 18th century, especially since the second half of the 19th century, secularization has become the dominant theme in assessments of the future of religion. It is common wisdom for most of the intelligentsia both in China and in the West to believe that erosion of belief in the supernatural will be a necessary consequence of the development of science and technology, and of social evolution. Many great thinkers, such as Karl Marx, August Comte, and Sigmund Freud even predicted the dawn of a new era within two or three generations in which the infantile illusions of religion would be outgrown. However, today we have evidence that at the least these predictions are notably illusory. In today's society, religion is still vital in many ways, and is still an important sphere in the life of people in the United States -- one of the most advanced modern societies. Based on empirical studies in past decades, scholars now realize that secularization is a myth hardly proven in reality (Hadden, 1987). The overall religiosity of the people in the United States can be characterized more accurately as "stable" than as "in decline" on the basis of available empirical data (Greeley, 1989). Some empirical findings even indicate an increase in church adherence over the more than 200 year history of the United States (Fiske and Stark, 1993). There is an increasing literature opposing the secularization theory or the postulation of a decline of religion.

With this reading of the social reality, looking back over modern history, we can easily see a parallel pattern of two revolutions in tandem with each other -- the industrial, technological and material revolution, on the one hand, and the moral, spiritual and religious revolution, on the other. As mentioned above, modern history began with a religious Reformation which resulted not in the decline of religion as a whole, although the Roman Catholic Church did suffer greatly, but in the rise of the new Protestant denominations. While the waves of material revolution are reflected in the industrialization, urbanization, the information revolution, etc., the waves of spiritual revolution are expressed in religious revivals, awakenings, and reforms. For example, in the United States, there have been four religious awakenings, each of which preceded certain essential social changes (McLaughlin, 1978). Economic development or material revolution by itself cannot create a society with liberty, equality and justice. The evil tendencies and results in the secular world must be challenged, condemned, and corrected by the power arising from spiritual resources. No human society to date is perfect, but with spiritual power a society can move in a better direction and avoid evil catastrophes.

In the past people have paid much attention to the material revolution and secular social changes, but consciously or unconsciously ignored or downplayed the spiritual revolution and religious changes. A more accurate description of modern history to date is a pattern of "*parallel revolutions*". The spiritual revolution should not be ignored, but should be seen as necessary for the healthy development of the whole society and humankind. Tension is necessary for the healthy development of human society. Together these two aspects of social life may be conceived as walking on two legs: if one of them is lacking or severely damaged, one cannot walk smoothly, and a fall or breakup of the whole body becomes likely. With parallel institutions in balance, both the material world and spiritual world will prosper, and society will develop in a healthy manner.

Religion and Social Change

Sociologically speaking, religion has two very different functions. First, religion is an integrating power for the solidarity of a community or society; it preserves the stability of a society. Durkheim appreciated this aspect of religion based on his functionalistic position, whereas Karl Marx criticized it based on his revolutionary goal. Aside from philosophical and ideological differences, both the positive and negative effects of religion upon society can be examined empirically. What is more important to point out here is that religion may also serve the function of opposition. Max Weber's analysis distinguished the "priestly function" and the "prophetic function" of religion. The priestly function is to preserve the stability and integration of a society, whereas the prophetic function is to motivate society to change. Religion can provide leverage for social change. The strongest argument for this is the focus of Max Weber's academic career, namely, the argument that the Protestant ethic caused, in part, the rise of modern rational capitalism. No doubt the rise of capitalism is a great social change in human history, and this, according to Weber, might not have happened without the emergence of the new Protestant set of religious beliefs. The concept of "calling" introduced by Martin Luther, the "predestination" doctrine developed by John Calvin, and the strict asceticism practiced by the Puritans and other Protestants, provided the motivational power for building a new form of society.⁴ Weber himself tried to validate his thesis by comparative analyses with the great cultures or civilizations in which he tried to show that no one other religion or culture except Christian Protestantism could have become the motivational force for the rise of capitalism. Christianity, especially Protestantism, was the leverage for the great change of society to capitalism in human history.

Religion provides leverage for social change because of the tension it provides. Examples of religion as leverage, other than in the rise of capitalism, are many. In the history of the United States, liberation of blacks from slavery and the Civil War, as well as the anti-discrimination and the Civil Rights movements in the middle of this century are good examples. Surely political, economic and other factors were in force, and were sometimes strong factors in social changes; however, we should not ignore or deny the religious factors in operation.

Before the U.S. Civil War, many Christians from some Christian sects, such as Quakers and Baptists began the abolitionist movement by organizing an anti-slavery crusade, publishing journals, and preaching that linked directly biblical themes and anti-slavery objectives. In the Civil War the South defended slavery which was regarded as normal by many people at that time. The North sought to end slavery which was seen as immoral, anti-Christian, and anti-Constitutional. The war was led by President Lincoln, the son of a conservative Baptist. He gave eloquent voice in both his Gettysburg and second inaugural addresses to the moral duty and religious destiny of an "almost chosen people", and regarded slavery as an offense to God that should be removed. Many of his contemporaries referred to Abraham Lincoln as a modern Moses for leading the nation out of slavery.

Before and after the Civil War, many black people became Christians and later the black churches arose as the most stable institutions among them. These common religious beliefs and practices provided a form of social cohesion and empowered them in the fights against racial separation and discrimination. The black churches provided the route through which many black leaders became public officials, a trend which continues to this day. In the mid-20th century, Martin Luther King, Jr, a Christian minister, became the main leader of the victorious Civil Rights movement against racism. It would be difficult if not impossible, to imagine these successes without the Christian empowerment of blacks, and of whites as well.

Some people might be quick to think of these great social movements as motivated by material interests with only a "garment of religion." However, it is difficult to think of the people in these movements as not being true believers. Without strong faith and conviction it would be extremely difficult, if not impossible, to endure the dramatic social pressures and risks, and the psycho-logical suffering.⁵ Without the religious institution and the religious metaphors, the movement would lack the power to mobilize people into a movement. Analyzing these successful movements sociologically, religion was the leverage through which great social changes were actualized.

This is not to say, however, that any religion can become a leverage for social change. What is important is the presence of "tension" for which religion is often the most systematic source and expression. Only those social organizations or institutions, religious or not which can hold appropriately high tensions with the social-cultural environment with an absolute ground on which the believers and participants can stand with conviction and hope at the right moments of history, can become the leverage for social change.

On the other hand, not all social changes are necessarily healthy for human society. Sometimes social changes may destroy the social good. For example, in today's society, there are the perils of growing materialistic greed, disintegration of the family and community, destruction of moral norms for human sexuality, increasing individualism and egoism, the untamed invention of new weapon technologies and so on. These changes are regarded by some religious people and organizations as driven by evil forces against which a battle must be fought. The central issue here is still the concept of "tension." In the United States, the so-called "conservative Christians," including Evangelicals and Fundamentalists, as well as mainstream Christian churches, may be a

healthy force to preserve the society from changes toward the destruction and disintegration of the society. They are a force for spiritual growth and against the degradation of society.

Religion, whether liberal or conservative, is often at odds with the political and economic powers, and secular trends. The American Council of Churches has been a moral voice criticizing immoral politics and society. Since the late 1970s, the Catholic Bishops in the United States have issued several pastoral letters to voice their moral and religious concerns about such issues as nuclear weapons, the economic system and social justice. Various special purpose organizations organized by religious conservatives have mobilized people to take measures to fight against what they consider immoral developments in American politics and society. These activities of a conservative nature are directed at preventing some social changes. However, just as religion can be a leverage for social change during certain historic moments, it can also be a preserving force for the healthy development of the society. In both ways, this is tension with society, which here is the crucial point.

Tension and Social Force

Can tension come from other forces which may provide leverage for social change or for the prevention of unhealthy change? The tension between the moral demands and worldly reality, the sacred and the profane, the holy and the secular, may come from all kinds of sources. However, to become the leverage of social change in the direction of a higher moral standard or for preventing immoral development, various social resources must be mobilized to form a social force. Recently, a Chinese intellectual called for this kind of tension to be carried on by intellectuals in the humanities. In his article published in *Du Shu*, a journal favored by many intellectuals and people with an interest in cultural issues, Zhao Yihong (1994) called for intellectuals to take on this responsibility and for their being allowed to provide social criticism. The problem he sees does exist, but his solution may not be warranted.

No doubt, in contemporary society, academic scholars, journalists as well as people in other social sectors, all should take this responsibility of working toward the healthy development of the society. Unfortunately, however, these "intellectuals" are often in alliance with the mainstream of the social-cultural environment. The main stream of these intellectuals often is tilted toward liberalism, rather than sustaining tension with the society and the government. In the United States, the most powerful challenge to possible immoral and unhealthy development still comes from religious organizations. The institutional structure of the Judeo-Christian tradition enables the churches as well as individual believers to fight against degeneration and evil development in society.

Tension and Harmony

"Tension" has been the central concept in this article. By this point, for some readers with knowledge of Chinese and Western philosophy, the stereotypical distinction between the Chinese and the Western minds may already have been recalled. It is common to hear that the Western mind tends to divide things whereas the Chinese tends to unite things, and that the Western philosophy is typically dualistic while the Chinese philosophy is typically monistic. With this stereotypical distinction, it would not be difficult to think of the West as emphasizing tension where the Chinese emphasize harmony. But stereotypes are not accurate, and often depend on incorrect assumptions. In terms of emphasizing harmony and lacking tension, the characterization

of the traditional Chinese mind may not be too far from the truth. However, the general characterization of Western mind is not correct.

Recently, some well-known Chinese scholars have devoted their efforts to comparing the Chinese and the Western spirits, and to advocating a revival of Chinese spirituality in the 21st century (e.g., Li Shenzhi, 1993; Ji Xianlin, 1993). Their efforts are admirable, though their understanding of Western spirituality may be problematic. In the Western mind there is no lack of the concept of harmony or unity; the West has its own version of the "unity of heaven and man," expressed both in Christian theology and in Western philosophy.⁶ Here I would point out only that in Western spirituality God is the foundation of the unity between humans and nature, humans themselves and with the transcendent. Western spirituality not only emphasizes "tension", but also has a notion of unity grounded in the transcendent. Tension without common ground would bring chaos to the society; but unity or harmony without tension would lead society to stagnation or destruction with unpredictable evil catastrophes. Modern Western culture so far has been more balanced with sufficient tension as well as unity.

Conclusion

Tension is necessary for the healthy development of the society. While there is economic development and material revolution, the need for moral reconstruction and spiritual renewal is urgent. People in all sectors and in different positions may share as common goals prosperity and the strengthening of the nation, the happiness of individuals, and a healthy future for society, but these goals may not be achieved without the growth of moral principles and moral authorities. In efforts to modernize Chinese society, intellectuals as well as all people have a responsibility to find solid moral grounds.

Notes

1. Weber was not alone in attempting to validate his hypo-thesis by his analysis to the comparative studies of the great traditions of Chinese culture, Judaism and Hinduism. Many scholars have been inspired to investigate the development or modernization of other cultures and societies. For example, Robert Bellah's *Tokugawa Religion* on the modernization of Japan, and on the development of Southeast Asian societies. Peter Berger and Hsiao, Hsinhuang's *In Search of an East Asian Development Model*.

2. Christianity was born out of Judaism, the religion of the Jews, who were under the rule of the Romans. Jesus and his disciples were Jews, but Jesus was handed to the Roman government by Jewish religious leaders for execution. The disciples and believers of Jesus were also persecuted by the Roman Empire.

3. For a comprehensive assessment of the relationship between these two institutions, please refer to Kenneth Wald's *Religion and Politics in the United States*.

4. Weber's thesis is hardly tested, for the rise of capitalism is one historical process without another repetition. Although there are other areas in the world where capitalism is developed later, these cases cannot invalidate Weber's thesis, because they are not cases of the rise of capitalism, but the introduction or importation of capitalism.

5. Erik Erikson's psychoanalytical biography of Martin Luther, the leader of the religious Reformation in the 16th century, *Young Man Luther*, has a very good analysis of this.

6. About the "unity of heaven and man" in Western spirituality, please refer to the paper by Yang and Lee (1993) and Yang (1988). The Western version of the "unity of heaven and man," as expressed in the God-centered theology and philosophy, has provided the foundation for the development of modern sciences by a "naturalization" process of the notion of God, and the foundation for modern humanitarianism by a "humanization" process of the notion of God. When the concept of God is thrown away from the realm of knowledge, we fail to find the theories of unity or harmony in the Western mind. It is a problem of our Chinese intellectuals, rather than a problem of the Western mind.

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Market Economy and the Moral Theory of Pragmatism

Liu Fangtong

The close connection between the market economy and the moral theory of pragmatism suggests that they be considered in relation to each other. In the development of the Western market economy there always has been a relevant system of moral norms which constitute a very important ideological support for the Western social order. These systems of moral norms in turn are based on moral theories of which pragmatism is one of the more typical and representative. The pragmatism mentioned here is not, as it is often misrepresented to be, a search for private interests only, but the theory of such pragmatic philosophers as John Dewey.

The economy of China is now being transformed into a system of market economy. In order to operate smoothly and to develop in a healthy manner it must be supported by some moral norms. The market economy of China is socialist in nature with a Chinese style. Hence, it is quite different from the Western one, as must be its system of moral norms. This takes Marxism as the guiding idea, as is decided by the Chinese constitution, and integrates and develops the excellent tradition of Chinese morality. But inasmuch as it must correspond to a market economy, it must study and receive such Western moral theories as represent the general character of that economy.

Although there were also some seeds of market economy in the Chinese feudal society, the modern market economy as a system was developed first in Western countries. Hence, the corresponding system of moral norms was established more or less comprehensively there. Being stamped with the brand of the cultural tradition and special ideologies of the West, these moral norms could not be adapted fully to Chinese conditions. Nevertheless, they reflect more or less the common demands of the morality of a market economy, and can be suited to different conditions. Therefore, just as in economic realms it is considered necessary for China to learn from the West in order to establish a socialist market economy, also it is necessary to learn from the West in moral fields in order for China to establish a system of moral norms which suits the situation of the market economy in China. In view of this, pragmatism is of special interest; in some sense it perfectly reflects the moral requirements of the Western market economy.

The Main Theoretical Tendencies of a Market Economy and the Relevant Modern Western Moral Philosophies

Before beginning this study it is important to analyze briefly the general nature of a market economy and its inner contradiction. Market and commodity economies are essentially the same; both mean that products and services are taken as commodities and are developed through exchange in the market. They differ both from a natural economy which is characterized by self-sufficiency and from a unitary planned economy in which products are distributed in kind by the government. Commodity exchange in the market is not according to their uses, but according to their value as represented by a definite money value. Money is the general form of value, and the only measure for commodity exchange; hence, the value of everything can be measured by money in the commodity market. In the commodity exchange people are related only as owners and hence according to the relation between things. This relation of commodity and money is the essence of

a market economy. There are different characteristics of a market economy in different historical periods and social conditions, but basically it is as described above.

In order that commodity exchange in the market operate successfully the following at least are required:

1) Every owner of commodities or services (whether a natural or a juridical person) must be supposed to be a person with an independent personality who could go to the market for his own purposes and exchange freely with others.

2) Every owner of commodities in the market should be equal with others, with no consideration of higher or lower position, of being respected or not, of elder or younger: with respect to money, everyone is equal.

3) Free competition in commodity exchange must be assured; the operative principle is that "the superior wins and the inferior is defeated," meaning that only those with higher efficiency and greater ability to respond to changes survive.

4) The market where exchange takes place must be open: every restrictive condition which would obstruct commodity exchange must be removed.

Therefore, freedom, equality, open competition and reason, which are their ideological foundation, are the main presuppositions of a market economy represented by commodity-money relation. So long as the market economy as a system operates, these presuppositions must be supported through philosophy, law, morality and in other ideological and political ways. The market economy practiced under these prepositions essentially involves sharp and deep contradictions and conflicts between people as commodity owners. If these prepositions be carried out fully, the law of the jungle which rules in animal circles would control human society, so that only its "evil" aspects would be developed: selfishness, avarice, hypocrisy, shameless cheating, ruthlessness. As Hegel pointed out, these "evils" may provide some motive power for the operation of market economy, but if only the evil aspects were developed people would become as wolves to others (Hobbes). The whole society would be in a situation of serious turmoil, approaching collapse. Hence, in any social condition, such prepositions as freedom, equality and competition, must be limited by morality. The system of moral norms must take these pre-positions as the starting point, but limit them by moral norms.

Let us now see how Western moral theories relevant to market economy developed in Western countries. In Western countries the market economy had a long history. It ripened during the process of establishing the modern capitalist system. The first economic theories to support this system were advanced as early as the 16th and 17th centuries. In that period the primitive accumulation of capital in British-French mercantilism represented the demands of the developing market economy. Later, French physiocracy formally advanced the economical system supporting liberal capitalism. The typical theoretical form of the market economy of liberal capitalism was the so-called classical economics advanced by Adam Smith and David Richard and prevalent in the 18th and 19th centuries. The corresponding ethics is Utilitarianism, which stemmed theoretically from David Hume and is represented mainly by Jeremy Bentham and later by John Mill. Utilitarianism is one of the main tendencies of modern Western ethics and best represents the moral demands of the market economy. It is also the main theoretical source of pragmatic moral theory. Let us consider briefly its origin, development and main characteristics.

Classical economics stresses that economic development is the cardinal function of government, even its essence and main end. Whether something is advantageous to economic

development and the increase of wealth and other interests is the criterion of good or bad in judging not only the economic or other policies of the government, but also the morality of people's actions. Free competition in industry and trade is considered to conform to the moral demands of human nature; this idea is identical with ethical utilitarianism.

The scholars who systematically developed the ethical theory relevant to the market economy were persons interested in economics who were at the same time philosophers and scholars of ethics such as Bentham and Mill. Their economic views generally were identical with classic economics and even made some important contributions thereto. In philosophy they inherited the empiricist tradition of Lock and Hume, especially their view that results experienced by the senses are the only standard for measuring reality. In economic action, these are the real interests and effects sought by people. Therefore, whether or not they gain expected interests and effects is the basic standard by which to measure the success or failure of their actions. The cardinal task of utilitarian ethics is to provide a moral apology for these economic pursuits, based upon the philosophical principles of empiricism, and to establish moral norms so that their pursuits could be practiced successfully. Though there were some differences between the utilitarian views of Bentham, Mill and others, in general they agreed in the following fundamental ideas:

(1) They all considered that to pursue pleasure and happiness and to avoid pain and misfortune is the general wish innate to everyone and originates from human nature. For this reason they think that whether people's conduct leads to pleasure and happiness, that is, to "utility", is the fundamental criterion for measuring human conduct as good or evil. On this basis Mill called utilitarianism the theory of the greatest happiness and held that the rightness or wrongness of action is directly proportioned to its tendency to increase happiness or misfortune.

(2) Although taking the individual's own pursuits as the starting point of their theories, they did not support, but forcibly opposed, narrow egoism and advocated altruism of some kind. They thought that, in spite of being egocentric, above all people must be concerned with other's interests, for otherwise they could not achieve and retain their own interests: egoism must take altruism as a prerequisite. Therefore, the standard of good and evil for people's conduct is essentially not that it could bring happiness for special individuals, but that it could bring happiness for most people. Utilitarianism is a theory of the greatest happiness for the largest number of people.

(3) They all consider that in order to impel people to act according to the above moral principle, it is necessary to establish a system of social restriction upon people's conduct. Although that has altruism as a prerequisite, this is not recognized by everybody: some are not willing to act consciously according to altruism even if they have some recognition of it. These restrictions are manifold: besides political, legal, religious and others restrictions, the moral is also important. On how to practice moral restriction, they were not unanimous. Some emphasized the importance of such external restrictions as reputation and prestige; others consider internal restrictions from aroused senses of responsibility and sympathy as being more important. Their common tendency is to restrain evil and encourage good.

The above common point of view of the utilitarians focuses upon the twofold moral demands of the Western market economy: on the one hand it must defend the individual's pursuit of utility (pleasure, interests, happiness); on the other, it must guarantee a stable social order. This means that it is necessary for people to formulate some norms of conduct and recognize some limitations and restrictions upon their pursuits. Consequently, although based upon individualism, their ethics does not insist only upon egoism. but tries to join egoism with altruism and even stresses the latter.

The reasons they stress altruism are not mainly to conceal bourgeois egoism, but to keep the social order stable as is required for the normal development of a market economy.

To think that the Western market economic order is one in which egoism is without any restriction or limitation, that Western moralists were bound to be apologists of egoism, and that their words about restricting egoism and advocating altruism must be hypocritical is to misunderstand the real condition of Western society and the real contradiction of Western ethics. The law of capitalist market competition based upon seeking one's individual ends would lead to people becoming as wolves to others. But this does not mean that Western scholars supported such a condition. On the contrary they considered that if this condition continued, the whole society would lose its stability and even fall into disorder. In that case it would be impossible to talk about normal conditions for the development of a market economy, and for guaranteeing every-one's pursuit of happiness. Therefore, it is necessary to restrict this condition in legal and moral ways so that the individual is charged with responsibility while enjoying his or her rights. This is the reason why Hobbes and others advocated altruism.

There were utilitarian ethical ideas in the West before Bentham and others. What they contributed was to develop and systematize these ideas according to the historical conditions of mature liberal capitalism in the 18th and 19th centuries. A variety of defects in their theory was exposed even in their time. With the fundamental changes in the Western economical system, the limitations of their theory became more obvious. For example, equal competition either in the case of free competition or in the case of monopoly apparently results in inequality in the distribution of wealth between individuals. As the founding scholars did not answer this satisfactorily, so some of their successors tried to revise their theories to different degrees. For example, some people tried to combine utilitarianism with the ideas regarding equal distribution of wealth. The theory of marginal utility and the new classical economics at the end of 19th and the beginning of 20th centuries, and the new liberalism, all tried to improve classic economics regarding the relevant utilitarian moral theory.

Modern and contemporary ethical schools in Western countries differ, but utilitarianism is one of the most prevalent. Scholars who oppose empiricism and are oriented toward rationalism or irrationalism and intuitionism in philosophy generally do not directly support utilitarianism, but criticize it as over-emphasizing the experienced effects of conduct and neglecting the importance of moral responsibility. Thus, they call for other ethics. Kant, who can be considered as being decisive in modern philosophy, did not support utilitarian ethics, but in his famous theory on "good will" or "justice" stressed transcendental moral duty. Since the 30s of this century, with the great changes in Western society, the theory of state intervention is on the ascendant, and some ethical theories emphasizing moral duty have become among the most influential. In the recent ten years, the debate between utilitarianism and so-called deontology continues: as one declines, the other rises and the later (as in Rawles's *Theory of Justice*) has seemed to prevail.

However, almost every modern and contemporary Western ethics involves the above twofold moral demand of a market economy: on the hand, it is bound to affirm morally the individual's pursuits; on the other, it must lay down moral duties with regard to those purposes. The differences between these ethical theories concern mainly their concrete expression, especially about what should be emphasized. Kant and a number of his successors, who denied the experimental content of morality and stressed the *a priori* character of the moral law, also confirm that man is end not means and that personal rights of freedom, equality and property should be ensured.

As the pragmatic ethics, of which Dewey is the most famous representative, develops fundamentally in this context of modern and contemporary ethics, its recognition should facilitate a more complete appreciation of pragmatic theory.

The Basic Tendency of Pragmatic Moral Theory

The basic tendency of pragmatic moral theory is identical with its overall philosophy. Its main characteristic is to deny the search for transcendental, abstract essences, which is the substance of traditional Western theories of philosophy (especially speculative, rationalist metaphysics). It transforms philosophy into the study of the world of sense experience connected with real human life and practice. This makes philosophy a theory for facing real life and helping to solve its problems. This is the fundamental meaning of the reconstruction in philosophy demanded by Dewey. In fact, this point of view is common in most Western philosophers who sought to escape metaphysics.

This point of view, which rejects traditional metaphysics and advocates facing experience and the life-world, was misunderstood and even taken as a hidden idealism in Chinese philosophical circles for a long time. Actually the case is quite complicated. Dewey did not negate the existence of nature outside the human being. In his *Experience and Nature* and elsewhere, he confirms again and again that nature is there before mankind. After all, human beings and their experience are products of the evolution of nature. Although the world (nature) as a human object depends upon humans and their experience, nature itself is independent from human beings. Such a point of view is clearly different from general idealism; it is what Dewey repeated again and again.

But Dewey did consider that the world which philosophy should study is only the world as related to human beings, that is, it must be in the human perspective or in other words the world of real human life, the world of sense experience. How the world is de-pends upon the human perspective, that is, upon human sense experience. Only in this sense does the existence of nature (not nature itself, but nature in the human perspective) depend on experience. If philosophy is to be a theory about the human life-world of human beings, it must study only things in the human perspective. This is the basic point of view of the so-called experimental naturalism of Dewey.

What characterizes pragmatic philosophers, such as Dewey and other contemporary Western philosophers such as Husserl and others who held a similar point of view, is mainly their distinctive understandings of the concept of experience. In contrast to traditional epistemology and the views of other philosophers, Dewey and the pragmatists do not take experience as knowledge resulting either from recognized action or from subjective consciousness (whether rational or non-rational consciousness regarding the meaning of existence) based upon objects. Rather, they consider experience as human life, conduct and practice itself, in other words, united subject-object and mind-matter. Therefore, Dewey and other pragmatists specially stress the meaning of conduct, practice and life. The world which philosophy should study is that involved in the process of conduct and practice.

This view is similar generally to that of process philosophy and some so-called "irrationalisms" such as existentialism. The main differences between them and pragmatists, especially Dewey, is that the latter emphasizes more the rational nature of experience while affirming its irrational content. According to Dewey, in contrast to the animal's instinctual behavior, human conduct and practice are always seeking some end and are guided by reflective thinking, i.e., intelligence. What philosophy should do is guide and help human conduct and practice, i.e. philosophy is only a methodology for human life, conduct and practice. Its cardinal

mission is to inquire how people can reach the intended goals in their conduct and practice. In this sense, philosophy is only the scientific method of inquiry, or experimental logic.

This basic view of philosophy is just the starting point whence Dewey reconstructs traditional moral theories and establishes his own. The main reason why pragmatic moral theory could more typically represent the moral demands of market economy is that, compared with other philosophical schools in the West, it remains closer to Western practical life. Among other reasons, the following seem more worthy of mention: (1) It opposes speculative talk regarding general moral ideas which break away from practical life and restricts the moral realm to practical life connected with people's interests. Morality should belong to the practical life-world, i.e. the world studied by human reason and science. (2) It opposes the use of non-experimental and absolute methods, and insists upon the use of rational and scientific methodology in the formulation of moral norms of conduct. More concretely, as far as moral problems are concerned, it opposes both the moral absolutism of traditional metaphysics and the moral relativism which rejects the normative and restrictive force of moral ideas. This position is more conformed to the demands of the moral order of the market economy. Both points will be explained in greater detail.

As to the first, the most important question is how to treat the relation between morality and science. This is one of the important questions long debated by modern and contemporary philosophers. Hume only pointed to the question of how to distinguish scientific fact and moral value. With some his successors, especially the utilitarians, he emphasized the effects experienced. Restriction by a narrow empiricism would not allow one satisfactorily to explain the character of the moral area and link it with science. Awakened by Hume, Kant separated both areas and considered the moral areas to be based on principles. Many of his successors, especially Windelband and other neo-Kantians, absolutized this separation. In this century, because moral and value judgements could not be verified by experience and fact, analytic philosophers who focused upon experience and science put moral judgements outside the experience and fact; here the argumentation of the British philosophers, G.A. Moore and A.J. Ayer, are very representative. On the other hand, based on a criticism of science, intuitionism, existentialism and other trends also separate morality from science. Generally speaking, the question about the relation of the two areas has been intensely debated in Western philosophical circles with many different opinions. The goal of Dewey and his partners is to unite the two separated areas.

Moving to the position of evolutionism from Hegelianism and orthodox religion, Dewey always opposed sharply the tendency of traditional and contemporary moral theories to take the moral area as absolutely different from science and to take the study of morals as completely divorced from the study of the sciences. He said, "After all, we are only pleading for the adoption in moral reflection of logic that has been proved to make for security, stringency and fertility in passing judgments upon physical phenomena." (*The Middle Works*, v. 12, p. 174). This is precisely Dewey's experimental logic, which he tried to introduce from the natural sciences into the study of the humanities and the social sciences, including morality; this is his so-called method of inquiry. He thought that by using this method he could reunite the separated research in the natural sciences with morality, i.e. the re-search in both fact and value. According to Dewey, human actions, whether in the natural area or in the moral area, all must be guided by intelligence, i.e., by experimental logic. Both scientific judgments and moral judgments are empirical judgments, which is to say that they are restricted to the evidence of the senses. They are all means for human conduct or practice, in other words, real human life.

Dewey did not negate the differences between the above two areas and never equated them. He admitted that the moral positions of people sometimes could not be brought into unison by the

scientific method. Although advocating reason in common, people's conduct could be guided by different principles; in this case, moral judgments often are based on some faith. Nevertheless he thought that people could unite their positions through the scientific method.

Generally speaking, although admitting the differences between morality and science, Dewey over-emphasized their unity and neglected the special character of the humanities and morality, especially the lofty moral feelings and ideals which always transcend practical interests. For this Dewey was criticized by many Western scholars. But compared to the intuitionism, mysticism and even emotionism which considered the moral realm to be fully contrary to science, Dewey's theory seems more practical and adapted to the demands of social economic life. The main mission of ethics here is not to seek a lofty ideal isolated from practical interests, but to rationalize people's moral actions and to restrict and limit them by rational moral norms.

The second point is an extension of first but in reaction against traditional rationalism. This used absolutized general concepts to rule varied special situations and reduced all concrete and ever-changing situations to a few fixed general concepts. This was true in the ethical realm as well. Dewey resolutely opposed the view of traditional rationalist ethics that there are unique, fixed and ultimate moral ends as well as a highest good or supreme moral law and principle, and that the basic task of ethics is to find this end, law or principle. This is ethical absolutism; its theoretical forms vary but their basic position is the same.

Dewey held the rationalist position to be preposterous, as people's moral situations and conduct are always particular, special, concrete and changing. Hence, this must be the case of their moral judgments. People should make different moral judgments. To reason only according to general and fixed concepts can give rise only to a series of senseless polemics which impede people from resolving the realistic moral questions they face. Even if this is done under the banner of reason, it reduces the power of reason, because it keeps people from exploring actual and concrete moral questions with a scientific method.

While criticizing moral absolutism, Dewey do not support moral relativism and subjectivism. According to him, it is un-reasonable either for people to subject concrete and special moral situations to universal, fixed, and ultimate concepts, or to go to the other extreme, i.e., to subordinate general and universal concepts to particular cases. We must not so absolutize concrete and particular moral situations that every situation is taken unique, dissimilar and with no connection to other situations. This would simply exclude the importance of general and universal concepts and principles and fall into the moral relativism Dewey clearly opposed.

In brief, while emphasizing the particular moral judgment according to particular situations, Dewey did not negate the role of general moral concepts, principles or laws. What he called for was not to absolutize or even substantialize general concepts, principles or laws as was done by traditional speculative metaphysics, but to take them merely as instruments for successful practice or action, in other words, for people's real lives. This was the cardinal content of his instrumentalism which also was misunderstood to some degree in China, but it is not possible for us to discuss this here in detail.

How to evaluate the moral views of Dewey and other pragmatists? There are different answers from different theoretical and political positions which in this paper it is not possible to discuss. But one thing may be taken as certain: when Dewey held that the moral realm must be restricted to the world of people's real life, action and practice, that is, to the experienced, and when he demanded that moral research be based on the scientific method, he advocated these with a view to help people to solve the problems they faced and to arrange the things they wanted. Hence, in all these cases, what Dewey really hoped for was to make his moral theory closer to people's

practical lives. Thus, his theory is more adapt-able to the Western market economy which emphasizes practical effects and interests. For a long time, the ethical theory of pragmatism has not enjoyed a dominant position in philosophical, especially ethical, circles, but it seems to be most popular in Western practical life and to be accepted and followed by most people in their real life.

Pragmatism on the Relation of Morality and Economy

In contrast to the utilitarian moralists of earlier times, such as Bentham and Mill, Dewey and other pragmatists were not economists. In spite of adapting the demands of Western economy to morality, their theories hardly concern how to work out moral norms concretely for particular economic activities. But in part three of the book, *Ethics* (1908), co-authored by Dewey and J.F. Tufts, another important figure of the Chicago School, there is more focused attention to morality and economy. Most of this part was written by Tufts, but revised by Dewey and seems to represent their shared view. The book is included as vol. 5 of the middle works of John Dewey. As there is hardly any discussion about the economic theory of pragmatism in Chinese academic circles, I mention two relevant aspects of this book, namely: the moral meaning of the economic process and the moral principles which must orient economic activities.

The Moral Meaning of the Economic Process

About the moral meaning of the economic process, the authors put forward three points; (1) the economic process will provide the necessary means for satisfying people's material and spiritual wants, and is then the presupposition for their obtaining happiness; (2) the economic process will influence the training of people's moral virtues; and (3) the economic process is the condition with which people relate to each other and the bridge through which people's moral actions transform them from individuality to sociality.

(1) The first point concerns the relation of economy and happiness. Pragmatic philosophers inherited the ethical tradition of classical utilitarianism and took economy and wealth as the presuppositions for obtaining happiness. Tufts said, "The supply of needs and wants by industry and commerce is ethically a good. A constant increase in production and consumption is at least a possible factor in a fuller life. Wealth is a condition of weal, even if it is not to be gratuitously identified with it" (*The Middle Work: John Dewey*, p. 436). It should be noted that the so-called happiness advocated by pragmatic philosophers is not only material enjoyment, but also, and even more importantly, mental satisfaction in the aesthetic and intellectual order. Some economic conditions are needed for the latter. Since happiness must be conditioned by economy, should people unscrupulously try to obtain wealth? Definitely not! If the wealth was obtained through exploitation or plunder and controlled only by a minority, it would be impossible to distribute it justly as a condition of happiness for the majority. So Tufts differentiated wealth from prosperity. "Wealth means the product that can be used to respond to wants and needs; property means the title to the exclusive use or possession of goods. Hence, the increase of property may involve increasing exclusion of part of the community from wealth, although the owners of the property may be increasing their own enjoyments" (*ibid*, p. 436). The forms of possession and use of property are various, whether or not they are means for happiness depends mainly on whether or not they are used to increase or decrease wealth or enjoyment, in other words, whether or not they

improve the condition for achieving happiness. Therefore, the question of happiness concerns the question of justice in ethics.

In a word as to the relation of economy and happiness, what pragmatic philosophers paid close attention to is how to increase the conditions which can guarantee the satisfaction of the wants of the majority. What is more suitable with regard to the possession of wealth depends on whether or not it offers such satisfaction.

(2) The second point, which concerns the relation of the economy and moral character, involves two aspects. One is that economic process can influence the formation of moral character, that is, economy can control morality to some degree." Through the difficulties it presents, the work it involves, and the incitements it offers, the economic process has a powerful influence in evoking skill, foresight and scientific control of nature in forming character, and stimulating ambition to excel" (*ibid.*, p. 435). The author in fact proposes that the moral realm is not independent, but is determined to some degree by economic conditions.

Another aspect of the relation between the economy and moral character is that there are different directions in which the economic process influences the formation of moral character. The mission of ethics is to guide this formation in a healthy direction. Although morality is presupposed by economy (wealth, property, etc.), not every economic activity (production, satisfaction of wants, possession of property, etc.) is necessarily moral. For example, the possession of property means an expansion of power and freedom; it is a necessary condition for affirming one's personality, but it impels people toward avarice and covetousness. Whether economic activity is in conformity with morality or not is determined by whether it respects human personality and guarantees human freedom. "Even in its aspect of satisfying human wants, the quantity of production isn't the only consideration; the satisfaction of any and every want is not necessarily a moral good. It depends upon the nature of the wants: and as the nature of wants reflects the nature of the man who wants, the moral value of the economic process and the wealth it provides must depend upon the relation of goods to person. As economists we estimate values in terms of external goods or commodities; as ethical students we estimate values in terms of a certain quality of life. We must ask first how the satisfaction of wants effects the consumers" (*ibid.*, p. 437). This means that when estimating economic activities or processes we should attend not only to market prices, but also to moral value, i.e., to whether it respects the human person and his or her dignity. With regard to any economic process, we must ask "whether it quickens intelligence or deadens it, whether it necessitates the degradation of work to drudgery, and whether it promotes freedom or hampers it" (*ibid.*, p. 438). If the activity only contributes to the possession of wealth, but neglects human freedom, it would have stopped at the instinctive level of the animal and would of course be worthless.

(3) The first and second points ultimately are concerned with how to put the principle of "justice" into effect in economic activity or processes. This is the third point regarding the economic significance of morality, pointed out by Tufts. Economic activity is both individual and social. As a bridge across which the individual passes to society, it is also a decisive factor of social morality. "The economic process has an important social function. Through division of labor, cooperation, and exchange of goods and services, it affords one of the fundamental expressions of the organic nature of the society in which members are reciprocally ends to each other. Property likewise, is not only a possessing, but a 'right', and thus, as all rights, involves the question when and how far society should support the individual in his interest and claims" (*ibid.*, p. 435.). What the authors here intend is that economic relations (especially market relations) are links connecting various social relations. They consider that from early history humankind exists in a dependent

relation one to the other. Isolated from others, no one could exist: "Every life draws from the rest. Man without friendship, love, pity, sympathy, communication, cooperation, justice, rights, or duties, would be deprived of nearly all that gives life its value" (*ibid.*, p. 439). In early group life, various human relations were connected by ties of kinship and later through the personal relation of "master" and "servant". With the development of the market economy, these relations are based more and more on "cash payment". All wants can be satisfied through mutual ex-change in the market and such mutual exchange is based on self-respect and equality. One can "sell his labor like any other commodity without selling himself" (*ibid.*, p. 440). Therefore people can also find a standard of moral valuation for their con-ducts. Through the market economy, the conduct of an individual obtains its social meaning.

Moral Principles to Guide Economic Activities

As to whether the market economy spontaneously forms "just" moral norms, Dewey would answer, No. He and his partners always forcefully exposed and criticized the serious moral de-generation in Western society resulting from its market economy. According to them, although the economic process provides a link to the social meaning of human conduct this conduct is not necessarily just if there are no proper moral norms for economic process and conduct. The basic mission of ethics in the economic realm is to study how to formulate concrete moral norms for all its aspects and links. They expressed this concern in their book, *Ethics*. We cannot introduce the contents here in detail, but will mention only the following seven moral principles, which they pointed out and thought must orient every economic process and conduct.

First, "Wealth and property are subordinate in importance to personality". What is emphasized here is that the material life, especially of a minority, should not be given priority over the mental life, especially of the noble virtues, which are more valuable. "An individual who gratifies a single appetite at the expense of vitality and efficiency is immoral. A society which considers wealth or property as ultimate, whether under a conception of natural rights or otherwise, is selling the means above the end, and is therefore unmoral or immoral" (*ibid.*, p. 460).

Second, "Wealth should depend on activity". This means that creative activities, practice and life should be considered the ultimate end; the satisfaction of the concrete material life and wealth or property are secondary. "The highest aspect of life is found in active and resolute achievement, in the embodying of purpose in action. Thought, discovery and creation are a higher value than the satisfaction of wants, or the amassing of goods" (p. 460). This is a concrete application in the moral realm of a cardinal principle of pragmatism which considers the process of action, practice and life more important than their results.

Third, "Public service should accompany wealth". The authors note that they do not say that wealth should be proportionate to public service. What they suppose is that both individualists, as represented by Herbert Spencer, and socialists, as supporters of the dictum "from each according to his ability, to each according to his needs", all assume to different degrees that there should be public service. This includes two aspects. One is that society must be provided by its members with some economically useful contribution, whether by the production or contribution of goods, to public order, to education or to the satisfaction of aesthetic and religious needs. The other is that every man should feel duty bound to render some service as his opportunity to fulfill his function in the social organism. This identifies him with the whole society; he is no longer alone but becomes a social power (see pp. 461-462).

Fourth, "The change from an individual to a collective method of industry and business demands a change from individual to collective types of morality". This means that morality must change its direction from an individual standard to a social standard. "The individual can not be moral in independence. The modern business collectivism forces a collective morality. Just as the individual cannot resist the combination, so individual morality must give place to a more robust or social type" (pp. 462-464). The main idea here is also that the individual must be identified with society. For this reason, basing their theories upon individualism, pragmatic philosophers demand that traditional individualism must be transcended by a new individualism which opposes egoism and hedonism and advocates contributing to others and to society while keeping the individual's personality and dignity. We will explain this in more detail below.

Fifth, "To meet the change to corporate agency and owner-ship, ways must be found to restore personal control and responsibility" (p. 464). What is emphasized here is the need to oppose the so-called "moral liability limited" theory and to restore individual personality in morality, especially one's rights and responsibility. This is needed in the present situation of modern Western society where gigantic agents more and more control society and its economy, and the individual loses his or her importance both in economy and morality.

Sixth, "To meet the impersonal agent society must require greater publicity and express its moral standards more fully in law" (p. 465). This means that morality and law must be united with the purpose of restricting and limiting the control of impersonal agents. Greater publicity means scientific investigation and public discussion. Here the greatest value is the positive elevation of moral standards. The law is not to be regarded chiefly as an agency for punishing criminals; its main function is to define standards and to help maintain these standards of morally.

Seventh, "Every member of society should share in its wealth and in the values made possible by it" (p. 466). This principle may be regarded as most important compared with others. While taking the basis of the quantitative division and the method for giving each a share to be unsettled problems, the authors consider the worth and dignity of every human being of moral capacity to be fundamental. The idea of justice is the most important. With the leveling and equalizing of physical and mental powers brought about by modern inventions and the spread of intelligence, no State can be permanently safe except it be based upon justice. "Wealth must be produced, distributed, and owned justly: that is, so as to promote the individuality of every member of the society, while at the same time one must always function as a member, not as an individual" (p. 466). It is worth mentioning that Dewey and his partners always emphasized that justice is the cardinal principle for every economic and political process.

Are the above moral principles of pragmatism hypocrisy; is there anything hidden behind them? It may be reasonable to discuss this further, but at least it is certain that in its direct sense the above theory of Dewey and his partner is an attempt to formulate some more just and adaptive principles of morality for the Western market economy. The reason why they so energetically emphasize the importance of such principles as justice, equality, individuality, sociality, etc., is that the normal operation of the market economy, and even the development of the entire society, could not be realized without these moral principles.

Market Economy and Pragmatic Theory of Individualism

That there is a close connection between a market economy and the pragmatic theory of individualism is an obvious fact of practical life which people encounter daily. If the market economy were approved fully but individualism were simply negated there would be a theoretical

contradiction. This in reality is the inner contradiction which a market economy and relevant moral theories are bound to involve; while starting from individualism, they must transcend and criticize it. This is reflected in Dewey and other pragmatic philosophical theories.

There is little disagreement either in Chinese academic circles or among pragmatic philosophers themselves that pragmatism supports a capitalist market economy and that the pragmatist worldview is based on individualism. America is a typical country where the market economy has developed richly and where individualism has been considered essential to that economy. Characterized as a native American philosophy, pragmatism reflects the relation between individualism and a market economy. In fact, in writing about the market economy as characterized by free competition, Dewey and Tufts always join this with individualism, even calling it an "individualistic economy," and calling such individualism "economic individualism." As philosophers, they were conscious to some degree of the contradictions of the market economy and of its relation with morality. Regarding individualism, they tried both to affirm and to transcend it, that is, they tried to reconstruct it in order to make it more suitable to the demands of development, both of Western society and of human beings. This is reflected in their critique of the old individualism, i.e., of "economic individualism."

Dewey and Tufts take the economic system advocated by such utilitarian thinkers as Smith, Bentham and Mill, and characterized by free competition, as the typical form of economic individualism. Clearly they affirm its positive role in history. For example, by its concern for the fullest development and freedom of the individual, and for removing the various limitations upon the individual, it aroused the individual's creativity and responsibility and urged each to act positively. Their free competition in the market promoted production and services, and hence the economic development of the whole society. As Dewey said:

The early economic individualism had a definite creed and function. It sought to release from legal restrictions man's wants and his efforts to satisfy those wants. It believed that such emancipation would stimulate latent energy into action, would automatically assign individual ability to the work for which it was suited, would cause it to perform that work under stimulus of the advantage to be gained, and would secure for capacity and enterprise the reward and position to which they were entitled. At the same time, individual energy and savings would be serving the needs of others, and thus promoting the general welfare and effecting a general harmony of interests (*Individualism Old and New*, see *The Philosophy of John Dewey*, ed. by McDermott, p. 610).

Dewey and other pragmatists further considered that the economic development stimulated by individualism also promoted people's freedom in politics, religion and morality (see: *The Middle Works: John Dewey*, vol. 5, p. 472).

But at the same time they emphasized that people should not overestimate the importance of individualism. They pointed out that:

It would be absurd to credit the enormous increase in production of wealth during the past century to individualism alone, ignoring the contributions of science and education which have been made under social auspices. It would be as absurd to credit all the gains of the century in civilization and freedom to individualism as it would be to charge all the wretchedness and iniquity of the century to this same policy (*The Middle Works: John Dewey*, vol. 5, pp. 471-472).

They saw at least two main defects in economic individualism: it could not guarantee real freedom for people and it could not realize just distribution. To ensure freedom and to reject dependence upon external and extra-economic powers used to be the main goal of the early utilitarians. They naively believed that this target could be realized through equal market competition. In contrast the pragmatists considered that free competition provides only formal freedom, not real freedom. For example, the economic system of free completion accelerated the division of labor and the continual invention of improved machinery. The results among others, were that people's skills became more specific and narrow, which increased the difficulty in finding a job.

Theoretically, no one is forced to labor. Everyone is free to choose whether he will work, and what work he will do. But in effect, freedom of choice depends for its value upon what the alternative is. If the choice is do this or starve, the freedom is not worth much. Formal freedom excludes constraint by direct control or will of others. It excludes violence or fear of violence. But subjection to stress or fear of want, or to the limits imposed by ignorance, is just fatal to freedom (*ibid.*, p. 472).

In a word, formal freedom understood as free contract, etc., is a mere verbal form; it more simply means "the rights of the stronger to exploit the weaker" (*ibid.*, p. 474).

The case of "justice" is similar. Although individualist economists insisted "that in a free exchange each party profits if he gets what he wants. There is mutual benefit, and so far as this goes, there is an element of justice. But while the benefit may be mutual, the amount of advantage each gets is not necessarily the same, and if the party who has greater shrewdness or resources takes advantage of a great need on the part of the other, the result may be a very unequal division" (*ibid.*, p. 474). That is to say, although there is formal equality in market exchange, the result is unequal. In pace with the development of new, especially monopolistic forms of economic agency, the inequality becomes ever more clear. Therefore the conclusion "Under present conditions individualism cannot guarantee, and in many cases cannot permit, just distribution and a true organic society" (*ibid.*, p. 476).

Although the critiques of Dewey and other pragmatic philosophers are not profound and comprehensive, undoubtedly they not only praise individualism in general, but reproach such individualism as it takes economic interests, especially individual private interests, as the main concern. This means not that they do not support a market economy and individualism, but only that they call for elimination of the defects mentioned above. They would base individualism on a new ground to make it adaptable to the comprehensive development of the human being, including the demands of training in good moral virtues; in other words, they attempted to formulate a so-called "new individualism".

It should be noted here that there have long been deep misunderstandings of the individualism advocated by Dewey and his partners in China's academic circles. While criticizing the individualism characterized by egoism and hedonism, people often take pragmatism as its typical form. Actually Dewey and his partners always energetically opposed such an individualism and took this opposition as an important presupposition in formulating their so-called "new individualism". From these different attitudes toward utility and happiness, it is easier to differentiate what Dewey really supports and opposes. As there is a more detailed exposition of Dewey's view on happiness and utility in another paper here, I will only briefly introduce two points.

First, Dewey affirms the great importance of happiness in human practical life, and clearly rejects asceticism as excluding actual happiness. But he did not support the avaricious possession of wealth and uncontrolled material enjoyment; he considered spiritual enjoyment to be more worthwhile. The main good is to achieve success in practice; success does not mean possessions, but succeeding or moving forward. In other words, happiness and success lie in continually overcoming difficulties and making progress.

Second, Dewey affirms the value of pursuing utility and approves to some agree the utilitarian ethics, but he actively opposes egoism and hedonism. What he emphasizes in terms of utility is mainly overcoming various social evils and serving society.

The basic meaning of above points is to surpass the old individualism and its egoism and hedonism, called rugged individualism. Under the banner of guaranteeing the freedom for each person and their equality, it adopts in fact the pecuniary culture, which controls the whole of Western society and in the final analysis safeguards its inequality and oppression.

But Dewey does not exclude individualism in general. According to him individualism is not a fixed and unchanging concept. It has variant forms in different historical conditions, as "the mental and moral structure of individuals, the pattern of their desires and purposes, change with every great change in social constitution" (see: *The philosophy of John Dewey*, ed., by J.J. McDermott, p. 612). The old individualism characteristic of hedonism, egoism and selfishness should be rejected and, in fact, was condemned from different aspects as not adaptable to historical trends over a long time. Such principles as respect for people's personality and individuality and the development of their creativity and initiative should be protected and developed. Dewey took these as the main principles of the new individualism he advocated and considered its realization to be the main task.

What the new individualism actually means Dewey do not define exactly, but his basic idea is quite clear. It includes the following two points. First, it emphasizes the sociality of human actions. They should be subordinated not to private pecuniary interests, but to social reconstruction. He held that overcoming the old individualism and creating a new one "cannot be achieved by extending the benefits of the older economic individualism to more persons", and "it cannot be obtained by a further development of generosity, good will and altruism" (*ibid.*, p. 615). The most important thing for the creation of the new individualism is to reconstruct society and create a new type of individualism. The main defect of the supporters of the old individualism is that "they slur the chief problem, that of remaking society to serve the growth of a new type of individualism" (*ibid.*, p. 612). Second, it stresses the development of the individual's creativity and initiative. The developments of modern society, especially of science, technology and social productive forces should be the condition for developing individual creativity and initiative, not the external material forces of hindering them. Individual actions must serve the reconstruction of society, and society must guarantee the rights of freedom, equality and democracy of individuals: their personality and individuality must be esteemed. These are some of the necessary conditions for developing the creativity and initiative of individuals.

Generally speaking, although named individualism, Dewey's "new individualism" is quite different from that criticized in Chinese academic circles. How to evaluate it comprehensively may be more complicated, but at least it is clear that it fits the demands of the market economy for a morality.

Pragmatic Moral Theory and the Moral Reconstruction in Present Day China

The moral reconstruction of contemporary China is a systematic project with many sides, directions and levels, which must be realized in many ways. Important among them is to study and draw lessons from pragmatic and other Western ethical theories, which represent the moral demands of a market economy in the West. If the introduction of pragmatic and other Western ethical theories is right in general, we can draw from them useful enlightenment. Among others, the following steps seem worthy of mention.

First: to instigate more comprehensively the social function of Western ethics.

That the main social function of Western ethics is to stabilize the social-economic order would not be seriously objected to by many. The problem is whether this is "good" or "evil"? If Western capitalist society is considered only as one in which the minority of capitalists represses and exploits the majority of proletarian and other toiling masses, the Western ethics which defends such a social system would be "evil". But this point of view, which was popular for a long time in China does not tally with either the realities in Western society or the Marxist evaluation of capitalism.

The social system of Western capitalism is based upon the market economy in its mature stage. This is not identically capitalism, but as being formed into an integrated economic system it co-happens with capitalism. The capitalist system of society, succeeding the feudal system, is fully conformed to the basic demands for the operation of the market economy. Simply to negate capitalism means the negation also of the market economy; the simple negation of Western ethics also means the negation of the market economy. This does not tally with the trend of transformation to a market economy in China. To be realistic, we should approve in some sense the moral defence of Western ethics for capitalism and market economy.

The key reason here is that what Western ethics, from early utilitarianism to pragmatism and other contemporary theories, defends is not the "evil" which indeed existed in capitalist society, but the "good" which promotes the stability of society and propels the development of a commodity economy. Even the defence for such prerequisites as free competition, individual freedom, etc., which are necessary for the operation of the market economy, is not equal to the defence of "evil", because these principles or prerequisites are not "evil" in themselves unless made absolute, i.e., transformed into egoism and hedonism. They could, however, be transformed into "good". There are some misunderstandings among some Chinese scholars of such descriptions as "war of all against all", "man as wolf to man" (Hobbes), "hell is the other" (Sartre), etc. These descriptions are quite vivid, but what Hobbes, Sartre and others really intended in these phrases was to expose and unmask, not to defend or support. One of the main functions of their theories is how to prevent and restrict these "evils" which are derived from the negative aspects of market competition. If we adopt a realistic attitude toward Western ethics, we can find there without much difficulty many worthwhile and useful ideas for Chinese moral reconstruction during the process of changing to a market economic system.

Second: to pay closer attention to research on practical moral problems.

How to evaluate the anti-metaphysical theories of Dewey and other Western philosophers is a more complicated question. It is not easy to take a unitary position, and we can put this aside for the moment. But their philosophy, including ethics seems reasonable in emphasizing first of all, study of the real world, i.e., of the so-called life-world or world of experience, which is connected closely with people's life and conduct. One of the important tendencies of Western ethical

research, from early utilitarianism to pragmatism, is to place the moral questions of practical life in the first place for research. As far as Dewey is concerned, while not opposing the studies of so-called meta-ethical questions, he takes them mainly as questions of methodology of moral actions, and considers this mainly as the method he advocated of experiment-inquiry. It remains a method for solving practical questions. His criticism of moral absolutism and his demand for reconstruction in the philosophical and ethical realms, are oriented mainly to the return to real life.

There are various defects and shortcomings in the ethical theories of Dewey and others; in fact, they criticize and even attack each other. But in the end these theories take very important positive steps toward studying practical moral questions and ensuring a relatively stable moral order, thereby providing the necessary conditions for the continued development of the Western economy and society. In spite of various grounded and reasonable criticisms of pragmatic and other Western ethical theories, it seems ground-less and unreasonable simply to deny the positive effects of these theories for forming moral norms adaptable to practical life of Western society, especially its economic life. The attitude of Dewey and others to directing moral studies in the direction of practical questions and the positive achievement of their research seem to be worthy points of reference for Chinese scholars. Our most urgent task in the ethical realm at present may be precisely to study the practical moral questions which arise in the process of transforming to market economy.

Third: to study more deeply the features of a market economy with a Chinese style and its moral challenges.

The most important reality of present day China is transformation to a market economy. The main topics of moral research should be those caused by this transformation. Being socialist in nature, the market economy in China differs from that of the West, but its general features and the relevant moral problems mentioned above are similar. Such principles as freedom, equality, competition, openness, etc., are relevant here and are in keeping with our socialist nature. Nevertheless, transformation from a unitary planned economy to a market economy implies a cardinal change in the economic system which causes radical changes in law, morality and other ideological areas. For example, under the system of a market economy, what regulates the relation between individual and individual, individual and organization, enterprise and enterprise, enterprise and State, is not the traditional organizational principle of subordination, but the law of value. The moral norms relevant to these relations certainly must be changed, too. Similar to the West, the relation between morality and market economy in China is twofold: morality must serve to defend and support the principles of a market economy which may have with some "evil" characters, as well as to regulate and restrict them so as to reduce their negative role. The latter is also a necessary condition for the successful operation of a market economy in China. In order to have full practical effect, moral research in China must deeply reveal and analyze this twofold relation. We need not cover up or worry about the "evil" side of a market economy for as Hegel said of the whole society, the "evil" may be a motive power propelling the development of the economy. But at the same time, we should clearly criticize and decisively restrict these "evils". From the early utilitarians to Dewey, Western philosophers take refraining evil and encouraging the good to be the main target of their moral studies. This should be included in the studies of Chinese scholars today.

Fourth; to study afresh the good and evil of human nature and the contradictions of individualism.

According to the system of a unitary planned economy, it has long been the guiding principle of moral education to merge individual into the whole, to take one as a screw in the machine, to subordinate individual interests to those of the whole, to put public interests in the first place and private interests secondary, to encourage unselfishness, etc. With the transformation to a market economy, such moral education, placing the individual in a sub-ordinate position now seems one-sided. Such slogans as self-design, self-choice and self-realization, which only a few years ago were severely criticized as expressions of individualism now seem more suited to the new sense of competition and initiative encouraged and demanded by the market economy. Therefore the old question of whether individualism is the source of every evil or the motive power of development arises once again. This involves the question of how to analyze morally the good and evil of human nature. Because in their origin there was some connection between individualism and personal drives, the analysis of individualism must involve an analysis of these personal impulses.

Without doubt, the personal impulse involves evil and in some degree this relates to the struggle for life which controls the animal kingdom. If this were to be developed spontaneously and without any restriction, human society would fall to the animal level. But human personal impulse differs from animal instinct or impulses. Being inherently rational and social, despite their individual psychological impulses humans can transcend the level of animal instinct. Human pursuits always are controlled in differing degrees by reason, they are both material and mental. They are complex, both lofty and despicable, good and evil. With the development of society, mental pursuits become increasingly important. The most important role of human spiritual culture, especially of ethico-morality, is precisely to render rational human pursuits and to orient them in the direction of the sublime. In this way personal impulses are transformed toward the good and the good and evil in human nature can be changed or transformed. If individualism is taken as the rational sublimation of personal impulses, its good and evil is a unity of contradictions which can be change or transformed. One of the main targets of most Western philosophers, from early utilitarians to pragmatists and others, is to make such changes and transformations. While taking individualism as the starting point of their theories, most attempt to differentiate themselves from egoism and hedonism. This means that they rationalize human impulse in order to restrict the "evils" of individualism.

However people evaluate the work of philosophers and moralists, personal impulse, including the awareness of competition and the pursuits of one's reputation, interests or lofty ideas are important motives in human affairs. It is even irreplaceable in some sense because the entire society or organization consists of individuals; all work finally is the responsibility of individuals. Isolated from society, individuals can do nothing; but without the activity of the individuals no group or organization could achieve its practical effects. Where human conduct is moral, the moral subject finally is the individual. All moral or value laden conduct, all moral choice or valuation, is realized through individuals. Legal persons which represent a collective organization also are individuals. Therefore, from the state or society to the particular enterprise or group, the degree to which success can be achieved depends upon moral subjects who unite to constitute an effective force. Hence, if one hopes to achieve success, one has no choice but to have recourse to abominable personal impulses and to individualism as its rational sublimation.

People could and should study the transformation of the Chinese economic system from one that is unitary and planned to a market economy drawing from various aspects, levels and directions, as well as from different theoretical points of view. Its philosophical and ethical dynamics is in reality a transformation from the whole to the individual. As regards the relation of

government to enterprise, the question is how government is to guarantee the independence of enterprise and make it responsible, and then to mobilize its activity and productivity. The relation between enterprises and their workers and officers should be similarly trans-formed, so that the activity and the productivity of every one is mobilized. Finally, this originates from the individual's inner pursuits characterized by personal psychological impulses. As individualism is the rational sublimation of such impulses, there arises the question of how this is to be treated. Of course, its evil aspects must be excluded and criticized persistently everywhere and always. The propagation and advocacy of lofty moral virtues and ideals must be carried on continually and ever more efficiently. But taking individualism simply as a bourgeoisie worldview, that is, as "evil", and rejecting and excluding it generally, seems un-suited to the demands of the market economy for mobilizing the activity and productivity of individuals, and for strengthening the vitality of economy. The most important thing for philosophers and scholars of ethics seems not to praise or curse individualism, but to study concretely its psychological and social sources, and lead it in a healthy direction, that is, to encourage its good while restraining its evil.

While demanding for competition the full development of the human personality and consciousness, it is inevitable that the market economy permit individualism in some degree. How properly to treat the contradiction of individualism is always a very important question for the successful development of a market economy. This is the main reason why modern Western philosophers, from early utilitarians to pragmatists, have included individualism as one of their main topics of research. No matter how abominable, individualism is inevitable in the operation of a market economy in present day China. Research on this is very important, even urgent. In spite of different political conditions the problems characteristic of individualism here are similar to those in the West. A realistic attitude will disclose that the research of Western scholars in this regard is close to the realities of the market economy in China. Compared to blind criticism, concrete and careful studies are more suitable to the requirements of the formation of moral norms adaptable to the development of a market economy for China.

NOTE C

Rule-Utilitarianism

Wang Xinsheng

A Swan Song for Utilitarianism?

In its purest and simplest form, consequentialism is a moral doctrine holding that the right act in any given situation is the one that will produce the best overall outcome, as judged from an impersonal standpoint giving equal weight to the interests of everyone. Its most familiar version is utilitarianism, found in its classical form in the writings of the English philosophers, Jeremy Bentham and John Stuart Mill. This holds that the best state of affairs is the one that contains the greatest net balance of aggregate human pleasure, happiness or satisfaction.

This view has been subject to three particularly influential objections. The first is that utilitarianism gives no direct weight to considerations of justice or fairness in the distribution of goods (see John Rawls's, *A Theory of Justice*). The second is that utilitarianism requires people to do whatever, in a given situation, will produce the best available overall outcome, which may mean doing something quite horrible (see Thomas Nagel's *War and Massacre*). The third claims that utilitarianism is an excessively demanding moral theory because it seems to require that one neglect or abandon one's own pursuits whenever one could produce even slightly more good in some other way. The demands of utilitarianism are so extreme even as to undermine the integrity of the individual agent (see Bernard Williams, *Consequentialism and Integrity*). In short, these three anti-utilitarian arguments point out that the classical utilitarianism is at odds with ordinary notions of justice, individual rights, and so on.

As a result some people conclude that utilitarianism is un-acceptable and hence must give way to other views. But this conclusion does not appear justified and, as a matter of fact, the alternatives to utilitarianism are also subject to objections.

Generally, the alternate views are called "agent-relative moralities" or non-consequentialist views. Unfortunately, they have their own problems. First, there are times when such moralities would forbid doing as much good as we could, or preventing as much evil. Second, they insist that there are occasions when one must not violate an agent-relative constraint even if that is the only way to prevent more widespread violation of the very same constraint by others (for example, in a trolley we should not pull the switch). Third, while these prohibitions may seem intuitively appropriate when applied to individual cases, nevertheless, they have a distinct appearance of irrationality. For it seems extremely odd for morality to forbid acting in such a way as to minimize the occurrence of the violation of agent-relative constraints. In short, there is an apparent conflict between our moral intuitions and a very natural and familiar conception of rationality. This apparent conflict suggests that the most defensible moral view is not an agent-relative morality, but some form of utilitarianism.

From Act-Utilitarianism to Rule-Utilitarianism

Being subject to objections does not imply that utilitarianism fails, but may be a sign of life. Through its response to objections utilitarianism modifies itself and becomes more adequate. The

gap between utilitarianism and common sense morality does not imply that utilitarianism is not acceptable because moral common sense is not reliable.

First, common sense is history and culture-bound, and may incorporate various irrational elements. Why simply assume that our feelings are always correct; why reject as plausible a rational theory of ethics such as utilitarianism simply because it conflicts with such feelings? Smart points out in his *Outline of A System of Utilitarian Ethics*:

Admittedly utilitarianism does have consequences which are incompatible with the common moral consciousness, but I tended to take the view "so much the worse for the common moral consciousness." That is, I was inclined to reject the common methodology of testing general ethical principles by seeing how they square with our feelings in particular instances.

Second, even if we admit the objections, it is not necessary to accept a version of agent-relative morality, for the objections can be accommodated within a broadly utilitarianism framework or reinterpretation. The troublesome aspect of the theory was its implication that each individual action is to be evaluated by reference to its own particular consequences (act-utilitarianism); hence, the theory has been modified so that individual actions will be judged right or wrong by reference to rules. We should accept such rules because as a regular practice, following them promotes the general welfare. But once having appealed to the principle of utility to establish the rules, one does not have to invoke the principle again to determine the rightness of particular actions. Individual actions are justified simply by appeal to the already established rules. Thus theoretically, rule-utilitarianism cannot be accused of violating common moral sense, or of being in conflict with ordinary ideas of justice, personal rights and the rest. In shifting emphasis from the justification of acts to the justification of rules, the theory is brought into line with our intuitive judgments to a remarkable degree.

T.M. Scanlon's "New" Rule-Utilitarianism

Among all available versions of utilitarianism, T.M. Scanlon's version appears to be the more adequate and stands as a symbol of utilitarianism surviving its objections. Rule-utilitarianism avoids the problems confronted by act-utilitarianism but still is not the most adequate which is rather T.M. Scanlon's "new" rule-utilitarianism, a two-tier view: one that gives an important role to consequences but which takes rights seriously as placing limits on utilitarian reasoning at the level of casuistry. It retains the basic appeal of utilitarianism, at least as it applies to the foundation of rights, and yet avoids the problems that have plagued traditional rule-utilitarianism.

In order to establish his new rule-utilitarianism, Scanlon first reforms the foundation and content of utilitarianism. He rejects subjective preferences as the basis for evaluating outcomes, and accepts instead as ethically significant an objective notion of the relative importance of various benefits and burdens. As to content, the benefits and burdens considered must include not only the things that may happen to people, but also factors affecting the ability of individuals to determine what will happen. Such a version of utilitarianism is less demanding.

Scanlon involves distributive justice in the theory. As he points out in "Rights, Goals, and Fairness", there are at least two ways to accommodate distributive concerns in the evaluation of outcomes. One is by giving extra weight to the interests of those who are worst off, so that the satisfaction of their interests counts disproportionately in determining what the best outcome would be in any given situation. The other is by treating distributive equality as a good in itself,

which must be considered along with factors like net aggregate satisfaction in determining the value of an overall outcome.

Third, Scanlon gives rights a special place in his "new" rule-utilitarianism. He looks at an assignment of rights as a way of parceling out various forms of discretion over which individuals are in conflict. His view of rights is utilitarian in a broad sense in that it holds rights to be justified by appeal to the states of affairs they promote. It differs from the usual forms of rule-utilitarianism, however, in that it does not appear to be a maximizing doctrine. He sees a central concern as being the promotion and maintenance of an acceptable distribution of control over important factors in our lives. In this light, Scanlon's 'new' rule-utilitarianism is a reply to accusations of insensitivity to rights.

Conclusion

Scanlon's "new" rule-utilitarianism appears to be the most adequate form of utilitarianism and to respond to the objections to utilitarianism. Hence, we conclude that the fate of utilitarianism seems optimistic. It is not dying, but in contrast shows strong life and creativity through its accommodation and modification. It still plays an effective role in evaluation on both the individual and the social levels and can provide a qualified means of evaluation in the present process of reformations in China.

Part II

Horizons for the Future Humanization of the Economic Order in China

8.

Is an Ethics of Economic Activity Possible?

Zhang Rulun

Is an ethics for economic activity possible? To answer this question we must first ask: What does "an ethics for economic activity" mean? In general, the term "ethics" is used in three different but related ways, signifying: (1) a general pattern or "way of life", (2) a set of rules of conduct or "moral code", and (3) inquiry about ways of life and rules of conduct. In the first sense we speak of Confucian or Christian ethics; in the second sense, we speak of professional ethics and of ethical behavior. In the third sense, ethics is a branch of philosophy that is frequently given the special name of metaethics. Obviously, the present discussion primarily has something to do with ethics in the second sense, that is, an ethics that is a set of rules and criteria by which a certain group or community regulates its conduct and determines what is legitimate and what is not for realizing its ends. Business is such an ethics, for business is certainly a kind of economic activity. For this reason, our question "Is an ethics for economic activity possible?" might be superfluous.

However, if we inquire further into the essence of ethics and of economic activity we may come to another conclusion. We assume that ethics consists of a set of rules of conduct or a "moral code". Moral rules are precepts that ought to be followed, whether or not this actually is done. Moral rules, in this sense, are very different from rules which define customs and practices: one can find empirically what rules people advocate or observe, but, as Hume and G.E. Moore insisted, one cannot determine by such empirical study whether these rules really ought to be followed -- that is, whether they are moral rules. Moral rules differ also from rules constitutive of either formal systems or institutions in dealing typically with what must or cannot be done rather than specifying what may be done. The Ten Commandments, for instance, include only prohibitions and obligations, not permissions; so does Kant's categorical imperative. For philosophers like Kant who stress deontology in ethical theory, moral rules must be obeyed without considerations based on concern for one's own well-being or that of others.

From the point of view of utilitarianism, however, it seems important to distinguish further between "summary rules", which provide a simple rule of thumb for maximizing utility in most cases, and "practice rules", which are rules one must (logically) follow in order to participate in some ethically valuable practice. If, for example, the precept not to tell lies is a summary rule, a utilitarian may justifiably decide to lie in a given case after considering the effects of a lie in that one case alone; but if the precept is a practice rule, it may be claimed that a utilitarian must also take into account the beneficial consequences of any practice which depends on and is partly constituted by the rule. Designed to meet traditional criticisms of utilitarianism by severely restricting direct utilitarian consideration of the individual case, rule-utilitarianism considers that many moral rules are practice rules. But since modern times it appears that the connection between abiding by the moral rules and achieving goals is a merely contingent one.¹ It is true that in some cases it is not most beneficial to obey the rule; if we are concerned only with beneficence, in these cases we ought not obey the rule. But the rule should be obeyed, otherwise it would not be a rule. The act utilitarian knows that he would go mad if he deliberated on every trivial issue, and that if he did not go mad he would at least slow up his responses so much that he would miss many opportunities for probably doing good.

Furthermore, any ethics would involve such questions: What do we or should we mean by "good" and "bad"? What are the right standards for judging things to be good or bad? How do judgments of good and bad (value judgments) differ from and depend upon judgements of value-neutral facts? An ethics for economic activity, if it is possible, cannot avoid these questions. Of course, we may divide our subject matter into the search for the meaning and standards of good in general, and of well-being, right conduct, moral character, and justice in economic activity in particular. But these are not watertight compartments. Finally, they are subject to reunification in accord with a given ethos and based on our moral beliefs and ultimate moral principles. Here, it is practical rationality that guides and determines our choice and actions. In this sense, in the last analysis, ethics is a matter of practical rationality.

On the contrary, the principles of economic activity are of technical means-ends or instrumental rationality: economic activity is purposive rational action. Max Weber characterizes the history of the modern West as "rationalization". By "rationalization" he understands progress in putting into force a means-ends rationality in all sectors of the socio-cultural system, especially in the sphere of economics and bureaucratic administration, under the constant influence of progress in science and technology. At the same time, parallel with rationalization, there is a process of dis-illusionment or, as Max Weber likes to say, "disenchantment" (*Entzauberung*). By this Weber understands, among other things, the dissolution of a commonly accepted religious or philosophical value. According to Weber, technical means-ends rationality is value-free. For this rationality, what counts is success or, more exactly, achieving goals. What is of concern is only to find appropriate means and strategies to attain one's object. To this end it can take anything, including ethics, as means. For example, in China, inspired by Weber's *Protestant Sects and Spirit of Capitalism*, many scholars are attempting to find the use of Confucianism for modernization and some are trying to establish an ethics for market economics. In antiquity, ethics had guided people's action, whereas now ethics only justifies action. Ethics also becomes an instrument to help us attain our ends or deal with our predicaments. As a result, on the one hand we have more and more instrumental ethics; on the other hand we land more and more deeply in a crisis of morality. "The desire for an ethics presses ever more ardently for fulfillment as the obvious no less than the hidden perplexity of man soars to immeasurable heights. The greatest care must be fostered upon the ethical bond at a time when technological man, delivered over to mass society, can be kept reliably on call only by means correspond technology."² If technical or instrumental rationality replaces or assimilates practical rationality, can we have any ethics in its original sense?

Aristotle

To answer this question, let us return to Aristotle, whose concern is precisely what role reason plays in all ethical behavior. Aristotle divides human activities into three types: *theoria*, *praxis* and *poiesis*. Only *praxis* and *poiesis* and their difference are relevant to our present discussion. According to Aristotle, there is an interesting and significant kinship between *praxis* and life; as he says in the *Politics*, "Life is *praxis*, not *poiesis*."³ If we assume that life may be described as some kind of activity, it clearly is not an activity which reaches its completion by stopping and leaving behind something different from itself: to live is like playing a flute, not like building a house. *Praxis* is an action which, instead of having an end, is an end, and which, in this sense, is not a means to the end.

Praxis, Aristotle says, is activity which includes the end. Because of this inclusion of the end within action, *praxis* is a process which has no defined limit by which it ceases at some time, and

by which an opposition occurs between a past and present. Seeing, for example, is properly a *praxis* and likewise thinking. At each period we always think and have thought. In contradistinction to this, learning, for example, is not properly a *praxis*, but an activity which is a means to an end outside it: we cannot at the same time, for example, learn and have learned, whereas now we both are living and have lived, our life is a past and present *praxis*.⁴

Insofar as *praxis* as such is the end chosen rationally by people, *praxis* refers to rational and purposeful human conduct. Of course, "making" as well as mere thinking is rational and purposeful human conduct as well. In fact, Aristotle sometimes seems to use *praxis* in so wide a sense that one gets the impression that it is supposed to cover "making" as well. Still, in its most technical sense the expression *praxis* covers only those human actions and activities which Aristotle discusses in his ethical and political writings: moral action and political activity. We may simply say that *praxis* is Aristotle's term for man's free activity in the realm of ethical and political life.

Aristotle opposes *praxis* and *poiesis* several times.⁵ He himself illustrates the difference between these two kinds of activity by saying that while *poiesis* aims at an end different from the very act itself, the end of *praxis* is nothing else but the act of *praxis* itself performed well. We may add that while *poiesis* itself seems to be a value-free activity, *praxis* is, in fact, an activity of our moral and political life. According to this distinction, economic activity belongs certainly to *poiesis*.

Corresponding to the distinction between *praxis* and *poiesis*, there are two modes of intelligence: *phronesis* and *techne*. The former is the ethical know-how, and the latter is the technical one. Gadamer summarizes their significant differences in Aristotle's ethics:

(1) A technique is learned and can be forgotten; we can "lose" a skill. But ethical "reason" can neither be learned nor forgotten. Nor is it like the professional knowledge that one can choose; one cannot put it down, like a profession, in order to take up another one. By contrast, the subject of ethical reason or *phronesis* always finds himself in an "acting situation" and is always obliged to use ethical knowledge and apply it according to the exigence of his concrete situation. For this very reason, it is problematic to speak of "application", since we can only apply what we already possess. Ethical knowledge is not our property in the same way that we have something at our disposal and choose to utilize it or not.

(2) There is a different conceptual relation between the end and the means in ethical knowledge, on the one hand, and in technical knowledge, on the other hand. The end of ethical knowledge is not a "particular thing", rather it determines the complete ethical rectitude of a lifetime. Moreover, and more importantly, technical activity does not demand that the means which allow it to arrive at an end be weighed anew on each occasion and personally by the subject who is their practitioner: "He is already an expert; he already knows how to go about it." And since a similar possibility is excluded in advance from ethical knowledge, it follows that we must characterize the ethical domain as one where technical know-how gives way to deliberation and reflection.

But it is better to show its positive side: in all situations ethical consciousness -- without prior access to the knowledge of all the facts -- is personally responsible for its own decision. Ethical consciousness does not keep counsel with anyone but itself. Thus the whole problem is summarized in the fact that in moral actions there is no prior knowledge of the right means which realize the end. This is because, above all else, the ends themselves are at stake and are not perfectly fixed beforehand. This also explains why in his discussion of *phronesis*, Aristotle constantly oscillates between defining it as knowledge of the ends and knowledge of means. When it is a

question of ethical ends. We can never speak only of the "opportunity" of means; the ethical rectitude of means is an essential component of the ethical validity of ends. To reflect on the means in moral decisions is *eo ipso* an ethical undertaking.

(3) Ethical knowledge is knowledge-for-the sake-of-oneself. Ethical reflection actually implies an absolutely remarkable relation to oneself.⁶ *Techne* is concerned with an end which, unlike the end of *phronesis*, lies beyond itself. Instead, the end of *phronesis* is to a large extent internal to *phronesis*. Indeed "making aims at an end distinct from the act of making, whereas in doing the end cannot be other than the act itself; doing well is in itself the end."⁷ Here *phronesis* is self-referential.

For this reason, Aristotle makes clear that *praxis* rules *poiesis*. Aristotle says: "Thought itself moves nothing; but only thought that is for the sake of something and practical. This indeed rules productive thought also, since he who makes something always has some further end in view; that which is produced is not an end in itself, it is only for something and someone. Whereas that which is done is an end in itself, since doing well is the end, and it is at this that desire aims."⁸ In other words, the self-referential character of *praxis* is the rationality for its ruling position with regard to *poiesis*. This aiming has its own disclosure, a revealing function which is higher than the revealing function of *poiesis*. In both activities a way of thinking is involved, i.e., an attainment of truth, but the function of practical intelligence is higher than the function of the *poietic* one, for the former alone is the "attainment of truth corresponding to right desire."⁹ *Phronesis* is that practical intelligence properly adjusted to *praxis*, i.e., practical rationality. And *techne* is obviously technical mean-ends rationality properly adjusted to *poiesis*. The implication follows that practical rationality (*phronesis*) should also rule technical rationality (*techne*).

Aristotle searches for the common features of all things said to be good. In contrast with Plato who holds that there is a Form of Good in which all good things "participate", Aristotle concludes that there are many different senses of "good", each of which must be pursued by a specific practical art or science, such as economics, military strategy, medicine or shipbuilding. But the ends of these particular disciplines can be arranged in an order of importance, so that the supreme good can be identified with the good of the most general practical science to which the others are subordinate. On an individual level, this all-inclusive science is ethics; on the social level, it is politics.

Aristotle identifies the supreme good with "happiness", which he defines as the exercise of natural human faculties in accordance with virtue. The good of man is defined as the activity of the soul in accordance with virtue, or if there are a number of human excellences or virtues, in accordance with the best and most perfect of them. "What is more, it is this activity throughout a whole life. One swallow does not make a summer, nor one fine day. So one good day or short period does not make a man blessed and happy."¹⁰ Therefore, "happy" is a predicate to be used of a whole life. It is lives that we are judging when we call someone happy or unhappy, not particular states or actions. We can see, says Aristotle, the connection between happiness thus understood and all those things which are popularly thought to constitute happiness: virtue, though not man's final end, is an essential part of the form of life; pleasure is taken by a good person in virtuous activity, and hence pleasure rightly comes in; a modicum of external goods is needed for characteristic human well-being and well-doing; and so on.¹¹

Hence, we can say, that for Aristotle, a specific ethics of economic activity is not necessary. Since all other particular goods (ends) are subordinated to the final end of life -- the supreme good -- all concrete and particular activities of people are in the last analysis means to the final end of life. Their significance lies in that they can constitute and promote happiness; they serve for

attaining the final end of life. What is good in a specific activity, e.g., in economic activity, is a matter of *techne* answered by a specific science such as economics. Speaking of ethics, general ethics is enough. Doubtless it can answer with regard to economic activity what is good for the final end of our life. In other words, we can distinguish two kinds of goodness in the ethical sense. The former is a matter of economics, and the latter of ethics. For this reason, we do not need a specific ethics for economic activity.

Confucius

Confucianism would agree with Aristotle, though based upon its own position. For Confucius, *jen* is an all-encompassing ethical ideal. Above all, however, the most striking novel aspect of *jen* is that it does not refer to moral power which is latently present in people. It is an existential goal which one must attempt to achieve for oneself through one's own self-cultivation. All the "worldly goods" are totally subordinate to the higher goal of *jen*. But this does not mean that people can do anything to achieve this goal. To act according to the civilized practices of the normative tradition, that is *li*, is a necessary component of *jen*. For Confucius, there had emerged within the history of the civilized world a universal and tested body of what might be called in Hegelian terms an "objective ethical order" embodied in the rites, practices, and basic institutions of the *tao* of the three dynasties, which in its broad outlines already had been realized in human experience and had been lost. That is to say, for Confucius, there was a ready-made system or ethical code; in other words, Confucius already knows what *tao* is. But this does not mean that there is no moral choice left for people. On the contrary, the choice remains between following the Way and straying from it. In contrast to a vast host of Western moralists, Confucius does not believe that he is creating a new way. Like all traditional moralists he is preoccupied constantly with the choice between following or straying from the Way. Here, the knowledge of *li* plays a key role. The virtues may exist apart from *li*, but unless they are governed and contained by the sacred forms of *li*, they will go astray. "Respect without *li* becomes tiresome; caution without *li* becomes timidity; courage without *li* becomes rudeness."¹² The *li* enlightens people about how and on what occasion these virtues are to be applied; it provides the containing pattern. Without the structuring and educative effects of *li*, *jen* as the highest ideal of personal excellence cannot be attained. *Li* can be internalized only through learning, which implies that only the learned can themselves achieve the highest realization of *jen*. A man of *jen* knows what he ought to do in any concrete and complex situation; in other words, he knows how to follow the way in any case.

Mencius believes that humans are born with an innate propensity to achieve the full life. This unreflective spontaneous propensity reveals itself first in the form of certain natural moral sentiments embedded in the human heart, which he calls the four beginnings and which already contain the propensity for the highest moral attainment embodied in the "four virtues". If unimpeded, the evolution of these capacities toward actualization will be realized. There are, however, powerful forces both within and outside the individual which obstruct this evolution. Hence, in most people, for the large part of their lives this original impulse to the good is effectively buried under the accumulated weight of a numbing callous and evil practice. According to Mencius, there is scarcely difference between human beings and beasts. The only distinction lies in the fact that the human being has moral consciousness, which Mencius calls "heart". But in most people, the heart is lost and one has to search for this lost heart, i.e., to cultivate and strengthen one's moral consciousness. This is the task of an entire lifetime. Sages always keep their hearts,

therefore, in them; their heart is unmoved, but common people have to find their lost hearts through learning. Once one finds his lost heart and makes it the unmoved heart in principle she/he can make right choices and decisions and do the right thing in all concrete situations, although at the same time moral decisions still require reflection and deliberate thought. Mencius praises Confucius several times for knowing how to do what is right all the time, whether as a warehouseman, as a low official, or as one in charge of a herd. In Confucianism, the uniqueness of *Tao* means that ethics is unitary. For this reason, a specific ethics for any specific human activity, including economic activity, is not only unnecessary, but also impossible.

As a result of the rationalization of modern society, however, instrumental rationality, or calculative rationality as Heidegger calls it, has penetrated and dominated all aspects of our life. Benefit, effect and utility become the highest criteria, for evaluating, whereas both for Plato and Aristotle and for Confucius and Mencius the ultimate principles were non-utilitarian. Today, there is ever more pragmatic prudence, but less and less practical wisdom. Correspondingly we have more and more ethics, including many specific ethics. On the one hand, people need ethics to justify their actions; on the other hand, ethics has to demonstrate its utility for specific human activities, i.e., to show that it can be a means of helping people attain their ends.

But the question remains: Is a specific ethics, e.g., an ethics for economic activity, possible? My answer is: both yes and no; possible and impossible. It would be possible if we accept Weber's insight: Human progress in the sense of "rationalization" has its complement in giving up the idea of a rational assessment of ultimate values or norms in favor of taking recourse in ultimate pre-rational decisions of conscience in the face of a pluralism, or, as Weber says, a "polytheism" of ultimate norms or values.¹³ In fact, however, ultimate human norms or maxims for acting and evaluating cannot be based on pre-rational decisions, or "acts of faith", with no rational claim to intersubjective validity. For at this point, no coercive motive remains for grounding one's life decisions on personal maxims. In the example of an economic ethics there would be no coercive motive for grounding one's economic activity on striving to keep one's agreements with other people even in cases where one's personal interests suggest breaking such an agreement, since no sanctions are to be feared. If so, there would be no ethics. To avoid this, the only alternative is that the dominant principles of technical means-ends rationality be also the principles grounding our moral rules and norms. Such being the case, ethics can be only a technical means to our pragmatic ends. Corresponding to all specific pragmatic activities, we should have a specific ethics to justify and regulate them in order to attain their ends. In the last analysis all norms and maxims would be pragmatic and utilitarian. Obviously, the logic of such ethics is no longer that of practical rationality, but of technical rationality. Such ethics can only tell people what they should do for their specific ends, but not what they should do for their whole life. Therefore, though today we have many such ethics, we face an unprecedented moral crisis.

This would be impossible if we could distinguish activity whose end is within itself from activity whose end is outside itself, i.e., *praxis* from *poiesis*, or action from working, in Hannah Arendt's language. According to her analysis, the process of working or producing is definite in character. It has a definite beginning: the blueprint of the product, and a definite end: the completion of the product. It requires definite means and definite abilities.

In contradistinction to this univocity of working, action is thoroughly ambiguous. It falls into a pre-existing network of relations and verbal communications with an indefinite and diversified interplay of perspectives. By virtue of this interplay, which ever renews itself, the agent is a patient as well as a doer and the impact of action is almost limitless and unpredictable. In contrast, predictability rules the activity of working. Moreover, action, whose condition is the plurality of

individual lives, is irreversible, whereas in the working process in case of failure one can start all over again. Lastly, in working the agent is not an individual qua individual, but a representative of a species or of general abilities. In other words, working is an anonymous activity. *Praxis*, in contrast, is individual; at the root, as Aristotle once said, it is the very life of the individual, but related or inserted in a plurality.

For this reason, we need ethics so that we can define the ends of our lives and make moral choices and decisions for our lives in accordance with practical rationality. We can think not only about the good for ourselves; but also the good for all humans on our planet. Obviously, all these are relevant to the meaning and value of our life; they are truly moral and ethical. In contrast, in all work or value-free activities, including economic activity, there are no existential choices. They only obey the logic of technical means-ends rationality. These ends have nothing to do with the meaning and value of the agent's life. In general, they do not concern what consequences they produce for humanity, for all plants and animals on the planet, or for the earth itself. They would not recognize the logic of practical rationality. They do not need an ethics to define their ends, because their ends are definite and unchangeable. Without ethics they can still work. Because of the essential difference of these two kinds of activity, an ethics for economic activity guided by practical rationality is impossible.

But this is not the ultimate conclusion. Probably we can still say that it would be possible if someday our practical rationality could revive so much that it could not only give account of the end itself but also of why we have to prefer something to something else. Then it could really rule technical rationality, and economic activity would be subordinate to the good of humans and of the earth. At that time, we could have an ethics for economic activity, but it would not merely justify our economic behavior or help us to better attain economic ends, but would guide our economic activity and make it a means to the final end of our life. It would not be a specific ethics or discipline in the technical sense, but a part of the ethics as our way of life.

Notes

1. Cf. Alasdair MacIntyre, *A Short History of Ethics* (London: Routledge and Kegan Paul, 1984), p. 267.
2. Martin Heidegger, "Letter on Humanism", in: *Basic Writing*, ed. by David F. Krell (New York: HarperSan Francisco, 1977), pp. 231-32.
3. Aristotle, *Politics*, I, 2, 1254, a 7ff.
4. Aristotle, *Metaphysics*, IX, 8-10, 1069 b 3 sq.
5. Aristotle, *Nicomachean Ethics*, VI, 4, 1140 a 2ff; 5, 1142 b 3ff; *Magna Moralia*, I, 34, 1197 a 3ff; II, 12, 1211 b 27ff; *Politics*, I, 2, 1254 a 6.
6. Hans-Georg Gadamer, "The Problem of Historical Consciousness", in: *Interpretive Social Science: A Reader*, ed. by Paul Rabinow and William M. Sullivan (Berkeley, University of California Press, 1979), pp. 140-144.
7. Aristotle, *Nicomachean Ethics*, VI, 1140 a 1-6.
8. *Ibid.*, VI, 1139 a 35; 1139 b 4.
9. *Ibid.*, 1139 a 30-32.
10. *Ibid.*, I, 1098 a 18.
11. Alasdair MacIntyre, *A Short History of Ethics*, p. 63.
12. Arthur Waley, *The Analects of Confucius* (New York: Rand House, Vintage Books, 1938), bk. 8, chap. 2, p. 132.

13. Cf. Max Weber, "Politik als Beruf", Vortrag 1919; repr. in: *Gesammelte politische Schriften*, 2nd ed., pp. 493-548.

NOTE D

From Economics as Science to Economics as Personal: A Phenomenological Critique

Wang Ying

During the early days of industry in England, Adam Smith promised that if the free market could function the country would be rich. As a result, economics has been treated as tactics in the governance of the state and participates in politics and society. Ricardo turned to stabilizing the monetary market in support of the new capitalist class. John Stuart Mill saw Ricardo's approach as being tantamount to making economics not only a science about production, distribution, exchange and consumption, but also a professional skill.

However, the main problem is that when economists view the economic situation, they pay attention to the rationality and completeness of a theory rather than to the concrete economic situation. The former is a theoretical construction, while the latter is a concrete situation. Theoretically, the tendency is manifest in the history of Western economics, whose classical economics reflected rationalism.

In the 20th century economics turned into an application of mathematics which had little use for an understanding of the structure and function of the economic object. In fact, contemporary economics has fallen into a mathematical formalism which generates the scientific "economistic fallacy". The universal principle is established by an abstraction which takes account of economic activity only in terms of a "formal model", without concern with how best to distribute resources and to analyze economic action. Contemporary economists recognize this problem. In his *Methodology of Economics*, Mark Blaug says that the error of economics is that the postulation of economic action is completely arbitrary and indeed fabricated, because economists lack an historical consciousness. Thus, the economic subject is isolated from the concrete economic situation. As a result of abandoning the economic subject, which is a conditioned, social being possessing vital value, formalism lacks the essence of the economic. Hence, economics should free itself from formalism and recombine economics with life value.

When phenomenology as a method is applied to an analysis of the crisis of Western civilization, one feature of which is scientism, it criticizes this attempt of scientism in economics to escape from the human situation and abandon the essence of being. In so far as phenomenology criticizes economics, its task is to discover the essence of the concepts of profit efficiency, GNP, market etc., and to grasp the condition of the economic subject and the meaning of economic world. In the phenomenological analysis the crisis of Western civilization is the substantiation of scientific reason and a corresponding abandonment of the essence of the human spirit and of the character of meaning. In economics, this is to naturalize and objectify the concept and theory of economics. This can be illustrated by a phenomenological search for the essence of "market" and "economic value".

Market. The concept of market had a particular meaning in Greek Philosophy. Aristotle regarded "in the market" as the realm of position which comprised a particular place and a concrete condition. The contemporary economist considers the "market" as a realm of free trade, with no boundary, position or condition in which the economic subject trades and profits. In order to profit,

all activities must be rational acts which naturalize and objectify. Hence, naturalism and objectivism in economics are deduced from the notion of "market", because if the latter has no limits then all economic activities are natural.

The economic spirit relates to the meaning of the market as a presupposition of economic action. In Greek philosophy, Socrates thought of the market as a fair in which people discoursed and exchanged views, and in which there was a logos. In that particular space, the person both is confined by the concrete conditions and pursues the logos which is the goal of life. In contrast, in the process of buying and selling, the person is not able to do what he wants, to naturalize and objectify, but has a duty to pursue a logos appearing as material success or substantialized into an object. So one never has a goal for one's action, instead in order to reach one's goal and realize one's own value one pursues the logos. Hence, economic action itself possesses no meaning and goal; only if reinserted into the process of life value can it regain its meaning. This ignorance of value and abandonment of logos constitute an "objectivism" and "naturalism" which is an abandonment of the essence of spirit.

Economic Value. If the open market corresponds to the economic subject, value judgements have no proper inner basis, but depend only on the outer abstract economic criteria of a scientism. This substitutes pragmatic value for the inner value, reversing the relation between life and pragmatic values. Marx wrote that in the market the person became a commodity. "How to sell yourself" becomes the common question. This phenomenon is based not on the essence of life, but on the economic criteria of profitability. Scheler also criticized this degeneration and reversal. One must earn ever more money in order to gain one's living. If a company is successful, it must continually increase its profits. The degree of life or the development of a company is expressed by a rapid increase in quantity. In this the person does not have one's own mode of existence, but in social terms one is treated as an object or a thing.

The economic criteria do not recognize a person, because a person is not an object or a thing, but a way of relating with the world or a concrete mode of existence. Hence, the person is not determined solely by its economic mode, but bears the entire relationship between oneself and the world. Hence, economics needs to abandon mathematical formalism and return to the life world in which it is cultivated, for it is the life world (*Lebenswelt*) that is the foundation of market and value judgments.

Such criticisms from phenomenology do not allow us to return to the Greek world, but remind us of our own mode of existence. If this view be correct, we need to attend to the economic reality which is based on existence, rather than a mere theory of economics become an economism.

Marxism and Traditional Chinese Philosophy

Zhang Qingxiong

A fundamental economic reform has been carried out throughout China as step by step the state-owned economy has been replaced by a market economy. Will the Chinese political system also change along with this economic reformations; what kind of country will China become in the future? In order to answer these questions we must examine profoundly the relation between Marxism and traditional Chinese philosophy. In this chapter I will first criticize one-sided opinion about the relation between Marxism and traditional Chinese philosophy. Then I shall try to expound the relation between Marxist socialism and the Confucian social and political doctrine, especially, the doctrine about a society of great harmony (*da tong*). In the end I will point out that the Confucian society of small tranquility (*xiao kang*), namely, a social market economy with the Confucian ideal of great harmony is the future of China.

A One-Sided Opinion about the Relation between Marxism and Chinese Traditional Philosophy

The prevalent opinion about the relation between Marxism and Chinese traditional philosophy is that:

- 1) Marxism is a foreign culture;
- 2) Marxism is in conflict with traditional Chinese philosophy; and
- 3) the destiny of Marxism in China depends on whether traditional Chinese culture revives or not: if traditional Chinese culture comes back, Marxism will be over in China.

The arguments for this conclusion seem very strong. It is evident that the spread of Marxism in China is associated with two historical events: the October Socialist Revolution of 1917 in Russia and the May 4th, 1919 new culture movement in China. If the October Revolution had not happened, the Chinese revolutionary intellectuals would have not seen the practical significance of Marxism. If the May 4th movement had not happened, traditional Chinese culture would not so rapidly have disintegrated and Marxism would not so quickly have spread in China. The magazine *New Youth* was the mouthpiece of the May 4th movement. It was in *New Youth* that the slogan "Down with the Confucian shop" was proclaimed and that Marxism was propagated. The chief editor of *New Youth* was Chen Duxiu (1879-1942), who became the founder of the Chinese Communist party in 1921.

Quite a few of experts on the Chinese problem assert that in the past 2000 years of history, China never really accepted any outside culture. No outside culture had a long life span in China, for sooner or later they were dispelled and replaced by Confucian culture. For example, Buddhism, which came from India and dominated China for centuries, was eventually dispelled and re-placed by Chinese Confucian culture. Therefore they conclude that the destiny of Marxism will be like that of Buddhism.

There are two circumstances pointing to this conclusion. Both the Chinese Communist party and the Chinese national party seem to hold that traditional Chinese culture is in conflict with

Marxism. Jiang Jieshi, the leader of the Chinese national party, held that Marxism is an outside culture. Marxism was accepted by many Chinese people because the May 4th movement overthrew the Chinese Confucian culture, with the result that a vacuum had formed in the mind of the Chinese people of which Marxism took advantage. Jiang Jieshi stated:

In the May 4th movement the watchwords 'science' and 'democracy' were put forward, but the crucial question of how to save the nation was not put forward. Therefore a lot of corrupt practices occurred in the May 4th movement. The watch-words 'science' and 'democracy' had been invoked for more than thirty years. Now we must ask our-selves: can we with the two watchwords extricate ourselves from the national crisis? How much efficacy have the two watchwords for our nation? I think that the two watchwords are somewhat useful in constructing our country. But if we do not lay the national culture as the foundation for science and democracy, the two watchwords will not save our nation; on the contrary, they will make matters worse and increase the crises.

He insisted that Marxism is not in conformity with the Chinese personality and national conditions. We need to resurrect traditional Chinese culture in order to defeat Marxism. The Confucian classics are the sharp weapon against Communism.²

Mao Zedong (1893-1976), the leader of Chinese Communist party, said: "The Chinese people were introduced to Marxism by the Russian people. Before the October Revolution the Chinese did not know Marx, Engels, Lenin or Stalin. The salvoes of the October Revolution brought us Marxist-Leninism."³ In a leading article in the *People's Daily* during the Cultural Revolution he stated:

In the May 4th movement the clarion call 'down with the Confucian shop' was raised, the blind worship to the Confucian shop in the past two thousand years was overthrown. This slogan became the mass revolutionary slogan, which marked a new leap in the thought history of China. In the May 4th movement Marxism began to spread widely in China through the activities of the revolutionary intellectuals, and the working class as an independent political force began to ascend to the political stage.⁴

Although Mao Zedong and Jiang Jieshi were political enemies, they agreed on the assumption that Marxism is an outside culture and is in conflict with traditional Chinese culture. Accordingly, it is no wonder that they had the same tactics for different purposes. Mao Zedong set off the Cultural Revolution to criticize Confucianism for the purpose of "propagating Marxism, consolidating the dictatorship of the proletariat and preventing capitalist restoration". Jiang Jieshi advocated respect for Confucius and the reading of the Confucian classics in order to defeat Marxism and realize in China "the three people's principles": nationalism, democracy and the people's livelihood.

The above argument is eloquent but not correct, because it ignores some important historic figures and events before the May 4th movement. These include the Taiping Revolution (1851-1864) which was the largest peasant uprising in China's history, the Reform movement of 1898 and the Revolution of 1911 which overthrew the Qing Dynasty, as well as the important historic figures: Hong Xiuquan (1812-1864) leader of the Taiping Revolution, Kang Youwei (1858-1927) leader of the reform movement of 1898, and Sun Yat-sen (1866-1925) leader of the Revolution of 1911.

We cannot exactly explain how Marxism spread so quickly and why the socialist revolution happened just in China if we ignore these historic figures and events. They introduced Western political thought and philosophy (including some socialist theories) into China. They did not think that Confucianism was in conflict with these Western cultures; on the contrary, they often tended to discern compatibilities between Confucianism and Western culture. They often applied Confucian utterances to explain West-ern political thought and philosophy, indeed they formed their own political thought by combining Western and Eastern elements. Their activities created favorable conditions in which Marxism could flourish, though they were not conscious of this result of their activities.

Why did the Chinese reformers and revolutionaries before the May 4th movement seek to combine traditional Chinese culture with Western culture, but then, in the May 4th movement, want to reject their own culture?

The occurrence of the May 4th movement was tied up with a very special psychological factor, namely, the pessimism among Chinese people at the time. Usually the Chinese are proud of their own civilization. At the beginning of contact with the modern West the Chinese scholar-official class had too high an opinion of their own culture to learn from the Western. The failure of the Opium War (1840-1842) and the other wars with Britain and other European great powers made the Chinese realize that the West had an advantage over China in technology, so the government of Qing dynasty was forced to mount a Westernization Movement (the measures included sending Chinese students to Western countries) in order to introduce Western technology to China. Failure in the Sino-Japanese war of 1894-1895 made the Chinese realize that advanced technology could not be popularized and brought into full play without the support of a good political systems, hence the reform movement of 1898 and the revolution of 1911. But the reform movement of 1898 lasted only 100 days. The revolution of 1911 made hardly any real social progress, although it won the victory in form (overthrowing the autocratic monarchy and establishing the Republic). The defeatist sentiments among the Chinese intellectuals led to their attitude of negating everything concerning Chinese culture, whence the May 4th movement. During that time numbers of the professors and students of Peking university and the others advocated "total Westernization" and a "break with traditional Chinese culture". They had a specious argument: technology, politics and culture are an organic whole; therefore Western technology needs the guarantee of the Western political system, and a Western political system needs the support of Western culture. No political system without its appropriate culture can be stable and function properly; traditional Chinese culture is not compatible with Western technology and politics; hence it must be rejected in order to practice the politics and technology of the West.

Such a totally negative attitude to traditional Chinese culture is, of course, not correct. This attitude seems to have changed since the Chinese people have achieved some success in economic development. We need more comprehensively to analyze and appraise the Chinese culture and its relation to the Western.

Three Sources and Three Component Parts of Marxism

In order correctly to analyze the relation between Marxism and traditional Chinese culture we need some basic knowledge of Marxism. V.I. Lenin said that Marxism has three sources and the three component parts: utopian socialism in France, the classical philosophy of Germany, and the political economics of England. Marx critically transformed the three doctrines and established his

own, namely, "scientific socialism", "dialectical and historical materialism" and "revolutionary political economics". This summary has been widely accepted in the Communist movement.

Utopian socialism is the socialist doctrine advocated by Saint-Simon and Ch. Fourier. According to Marx their main mistake lies in only describing the ideal society, but not in explaining its scientific reasonableness. Marx devoted himself to demonstrating the historical necessity of the Communist society and to re-searching the way to realize it.

Marx's early work "1844 Economic and Philosophical Manuscripts" shows that Marx first demonstrated the necessity of a Communist society through philosophy. He assimilated Hegel's theory of alienation according to which the human cannot control what he or she has created, but is controlled thereby, so that the humans lose freedom and the ability fully to develop themselves. In other words, man and woman should be the master of all they have created, but in fact they become the slaves of those things, for example, of wares, machines, moneys, etc. According to Marx, alienation is a historical process; private ownership and the division of labor have created human alienation. The future Communist society will provide reliable conditions in which humans can overcome alienation and fully develop themselves.

Later Marx recognized that it is not sufficient to prove the necessity of a Communist society only through philosophy. The philosophical speculation is always conducive to creative thinking, but cannot replace scientific proof. Inspired by Charles Darwin, Marx sought to find the laws of human society just as Darwin did regarding the evolution of organisms. Marx regarded political economics as a useful science for proving the necessity of a Communist society, and therefore wrote "Capital", and dedicated it to Charles Darwin.

Nowadays numbers of scholars of Marxism believe that there are two different Marxes: one is the young Marx who stood on the humanistic tradition in Europe and put human value, human esteem and human fulfillment in the first place; the other is the older Marx who was an anti-humanist, saw only material things and forgot the human spirit. Some scholars go so far as to assert that the young Marx is real, the old Marx is a forgery developed by Soviet Communism. These scholars divided the one Marx into two, because they see inhuman phenomena existing in practical Communist movements and want to overcome them. As for Marx himself, he may not have thought of all these things, but only of demonstrating the need and reasonableness of a Communist society from many different angles. It was impossible for him to foresee those inhuman phenomena which happened in the Soviet Union and China after his death.

F. Engels pointed out that Marx's great contribution lies in his discovery of the materialistic conception of history. The general idea of historical materialism is as follows: The productive force is the determinative motive force for the development of society. Hence, with change in the means of production, the way of life of human beings will change. The emergence of classes, the change of the relations between the various classes in society and the formation of the dominant ideology in society are, in the final analysis, conditioned by the development of production. As long as the productive means are kept in the hands of a small number of people, class conflict throughout society cannot be avoided; hence the whole of recorded history until now is a history of class struggle. Now in capitalist times socialized production is so great that it is possible for society to control all means of production and take charge of the whole process of production and distribution. But as a result of the unwillingness of the bourgeoisie to give up their property, social position and privileges a proletarian revolution is unavoidable. Violent revolution is the mid-wife by which the new society is to be born from the old.

Confucian Thought of Great Harmony

Chinese traditional social-political thought, developed in special Chinese social conditions, differs from European social-political thought as a whole. Nevertheless, some things are similar, for example, Confucian thought regarding the great harmony (the doctrine about an ideal or perfect society) astonishingly resembles European utopian thought. The Confucian thought of a great harmony is epitomized in the section entitled "The Evolutions of Li" (*liyu*) in the "*Book of Rites*" (*lij*):

Confucius said: 'I have never seen the practice of the great Tao, and the eminent men of the three Dynasties, though I have had a mind to do so. When the great Tao was in practice, the world was common to all; men of talents, virtue and ability were selected; sincerity was emphasized and friendship was cultivated. Therefore men did not love only their parents, nor did they treat as children only their own sons. A competent provision was secured for the aged till their death, employment for the able-bodied, and a means of up-bringing for the young. Kindness and compassion were shown to widows, orphans, childless men, and those who were disabled by disease, so that they all had the wherewithal for support. Men had their proper work and women had their homes. They hated to see the wealth of natural resources undeveloped, but also did not hoard wealth for their own use. They hated not to exert themselves, but also did not exert themselves only for their own benefit. Thus (selfish) scheming were repressed and found no development. Robbers, filchers and rebellious traitors did not show themselves, and hence the outer doors were left open. This was the period of great harmony (*datong*).

Now that the great Tao has fallen into obscurity, the world has become divided into families. Each loves but his own parents, and treats as children only his own children. People accumulate material things and exert their strength for their own advantage. Great men take it as the proper *Li* that their estates should descend in their own families. Their object is to make the walls of their cities and suburbs strong, and their ditches and moats secure. *Li* and standards of justice (*yi*) they regard as the bonds whereby to keep in its correctness the relation between ruler and subject; in its generous concern that between father and son; in its harmony that between elder and younger brother; and in a community of sentiment that between husband and wife. They use them to formulate institutions, lay out lands and hamlets, adjudge courageous and wise men as superior, and regulate accomplishments for their own advantage. Hence scheming practices come thereby and militarism arises.

It was in this way that Yu, Tang, Wen, Wu, King Chen and the Duke of Zhou obtained their distinction. Of these six great men, each paid great attention to *Li*. Thus they displayed their justice, tested their sincerity, exposed errors, exemplified virtue and discoursed about courtesy, thus showing to the people the invariable constants. All rulers who did not follow this course lost power and position, and all regarded them as pests. This was the period of Small Tranquility (*xiaokan*).⁵

The society of great harmony represents the orthodox Confucian conception about an ideal or perfect society which had great influence on the Chinese people. According to this quotation, the Confucian ideal society is a society of public ownership in which all people enjoy the social wealth. Everyone does his best for the society; there is no plunder, no deceit and no war; widowers, orphans, everyone who has no kin and cannot support themselves, receives special care from society; men and women can get married and start their careers when they come of age; people love and help each other, and elect able and virtuous persons to the leading post.

According to this quotation, the Confucians believed that such an ideal society existed in the past. Now that society has passed away, because the great *Tao* has fallen into obscurity. In the future the ideal society may again come into being. This depends on the evolution of *Tao* and the efforts of humans. *Tao* is a decisive, superior force in relation to which the efforts of humans are supplementary. Even Confucius could not bring this ideal society into being during his lifetime, though he had a mind to do so. A realistic alternative is the society of Small Tranquility. However, even this society is not easy to maintain for to do so the governor must pay great attention to *Li* (law and rite). Yu, Tang, Wen, King Chen and the Duke of Zhou have been praised highly, because they built up a state of Small Tranquility.

Some scholars now consider the thought expressed in "the Evolution of *Li*" as a mixture of Confucianism with . Surely the Confucianism of the Qin and Han dynasties was under the influence of , and the conception of social evolution may have come from this. On the other hand, we must realize that the thought of great harmony is not in contradiction with the original Confucian thought, for in the Confucian *Analects* (*Lunyu*) we can read of some similar ideas.

When one of his disciples asked him his aspiration Confucius answered: The aged are supported so that they feel security. Friends enjoy the trust of one another. The young are shown loving care for their growth.⁶

Confucius exhorted his disciples:

Persons who have country and family do not have to worry about a small population, but they worry about unfairness among them; they do not have to worry about poverty, but about restlessness among the poor. Because poverty will not exist when fairness is prevalent; the population will develop when peace perdures; strife will disappear when people do not go beyond their bounds.⁷

After the death of Confucius, Confucianism divided into many different schools. Among them the teaching of Mencius is usually regarded as the orthodox school. The political and economic project of Mencius is idealistic:

I would ask you, in the country where the nine-squares division is observed, to reserve one division to be cultivated on the system of mutual aid; and in the city to make the people themselves offer a tenth part of their produce as taxes.

From the highest officer down to the lowest, each one must have his holy field (the produce from which is used for his sacrifices), consisting of 50 acres. Let the supernumerary males have their 25 acres.

When there are deaths or moving from one house to another, there will be no quitting the district. In the fields of one district, those who belong to the same nine squares are helpful and friendly to one another in their goings and comings, aid one another in keeping watch and ward, and sustain one another in sickness. Thus the people are brought to live in affection and harmony.

A square *Li* covers nine squares of land, and these nine squares contain nine hundred acres (*mou*). The central square is the public field (*gong tian*), and eight families, each having its private hundred acres, cultivate this private field in common. Not till the public work is finished, may they presume to attend to their private affairs. This is the way of keeping the countrymen distinct (from their overlords).⁸

The above is the economics of Mencius. With regard to politics Mencius insisted that the interest of the people is above all others:

The people are the most important; the gods of the Land and grain (*sheji*), namely, the state, are secondary; and the sovereign is the least. Therefore to gain the peasantry is the way to become Emperor; to gain the Emperor is the way to become a feudal lord; and to gain a feudal lord is the way to become a great officer.⁹

In short, the Confucian ideal society is the society of great harmony. The society of Small Tranquility is relatively realistic. Confucian politicians usually strive first for the society of Small Tranquility, and then for the society of great harmony when conditions are ripe.

The Great Harmony and the Revolutions in Modern China

In the modern history of China there have been four large-scale revolutionary movements: (1) the Taiping Revolution (1851-1864), led by Hong Xiuquan was the largest peasant uprising in Chinese history; (2) the Reform movement of 1898 led by Kang Youwei, was an attempt to establish a constitutional monarchy under the support of emperor Guanxu, but soon was defeated by conservative officers and the empress Dowager Cixi; (3) the Revolution of 1911, led by Sun Yat-sen, overthrew the Qing monarchy and established the republic of China; and (4) the Communist revolution led by Mao Zedong.

The documents of those four movements, show that they all have something to do with the Confucian thought regarding the great harmony. Hong Xiuquan (1812-1864), born in Guangdong province of southern China, read Confucian books and was engrossed in scholarly honors and official rank in his early years. Accidentally, he bought some Christian books on the way to take part in the imperial examinations, and was at once fascinated by them. Later he was baptized by a foreign priest and became a Christian. Hong Xiuquan's thought is characterized as the combination of the Christian idea of equality with the Chinese thought of the great harmony. *The Instruction of the Primary Principle to Awaken the People in the World*, one of the programmatic documents of the Taiping Revolution written by Hong Xiuquan, states:

God is the father of all the people in this mortal world. God dominates and manages everything not only in China nearby, but also in foreign countries at a distance. God supports and blesses all people not only in foreign countries at a distance, but also in China nearby. All men under the sun are brothers, and all the women on earth are sisters. Therefore there are no reasons to divide the world into your private domain and my private domain; it is shameful to annex and gobble up one another. Therefore Confucius said: 'When the great Tao was in practice, the world was common to all; men of talents, virtue and ability were selected; sincerity was emphasized and friendship was cultivated. Therefore men did not love only their parents, nor did they treat as children only their own sons. A competent provision was secured for the aged till their death, employment for the able-bodied, and a means of upbringing for the young. Kindness and compassion were shown to widows, orphans, child-less men, and those who were disabled by disease, so that they all had the wherewithal for support. Men had their proper work and women had their homes. They hated to see the wealth of natural resources undeveloped, but also they did not hoard wealth for their own use. They hated not to exert themselves, but also did not exert themselves only for their own benefit. Thus (selfish) scheming were repressed and found no development. Robbers, filchers and

rebellious traitors did not show themselves, and hence the outer doors were left open. This was the period of great harmony. Now we promise high hopes of realizing this ideal.¹⁰

In the another programmatic document of the Taiping Revolution, namely "*The Land System of the Kingdom of Heaven*", Hong Xiuquan wrote:

The land should be distributed to farmers according to the number of people (irrespective of sex) in their family. They obtain more farmland when there are more people in their family; conversely, they obtain less farmland when there are less people in their family. The farmland is differentiated in nine grades according to its quality. Suppose there are six people in a peasant family, then three persons obtain good farmland, three persons obtain bad farmland. All people have the same right to cultivate farmland, so people in one area may move to another area when their area has not enough farmland for them to cultivate. Bumper harvest years and famine years take turns in different areas in the world, so people have a duty to relieve the people in a stricken area when they have a harvest year; conversely, the people can get aid from those harvest areas when they have a famine year. Be sure to make every people enjoy the happiness from God, our Father. Therefore we must cultivate farmland together, share food, clothes and money in common, with the result that no area is not equal, and everybody has enough to eat and wear.

. . . All the people in the world belong to the large family of God, our Father and the Lord, so nobody is allowed to keep private property, and all pieces of property should be owned by God, and be put in God's charge. In this case everywhere is equal, everyone has enough to eat and wear. This is the decree of saving the world promulgated by the Lord Taiping who is specially appointed by our Father, God.¹¹

The two programmatic documents contain an obvious socialist idea of equality. This idea represented the peasants' quests in politics and economics at that time, so some Chinese historians and philosophers name it the peasants' socialist Utopia. On the other hand, this idea is expressed in the name of God and relies on the authority of God, so some scholars call also it Christian socialism.

Kong Youwei (1858-1927), born in Guangdong province, was the initiator of the reform movement of 1898. This is a movement from above to below. Its goal is to replace absolute monarchy by constitutional monarchy. In order to achieve this goal, it was necessary to persuade the emperor and some upper officers. At that time Confucius was the Chinese sage and Confucianism was the official Chinese ideology. So Confucian thought was reinterpreted in favor of the reform.

In the *Commentary on the Evolution of Rites*, Kang Youwei combined the Western theory of social evolution with the Chinese Confucian theory of Three Ages, namely, "the age of universal peace", "the age of approaching peace" and "the age of disorder". Kong Youwei maintained that the period of great harmony and the period of Small Tranquility described in the *Evolution of Rites* are respectively the age of universal peace and the age of approaching peace mentioned in Confucian *Spring and Autumn Annals*. The evolution of history is a trilogy of the age of disorder, the age of approaching to peace and the age of universal peace. Western countries have been developing into the age of approaching peace, but China is still in an age of disorder. In the future all countries will develop into the age of universal peace. Kong Youwei held that the socialist society which Western people cherish is the period of great harmony which Confucius pointed out long ago.

Kong Youwei maintained that the *Analects* of Confucius already contain the idea of social evolution:

The course of humanity always progressed according to a fixed sequence. From the institution of the clan comes that of the tribe, followed by that of the nation. And from the nation the Great Unification comes to be formulated. From separate individuals the institution of tribal chieftains was gradually established, then the relationship between ruler and subject was gradually defined. The ruler-and-subject relationship develops to a re-publican relationship. From separate individuals the relationship between husband and wife was gradually formed, then the relationship between father and son was gradually defined. The father-and-son relationship will develop into a relationship of great harmony in which all persons love each other.

Thus there is an evolution from 'disorder' to 'approaching peace', and from 'approaching peace' to 'universal peace'. No matter where the country is, the evolution is unavoidable, although somewhere this happens earlier, elsewhere it happens later. Just as we know that a child will grow up to be an adult or a small sapling will grow up to be a tall tree, we know also the evolution of society from the yearly dynasties of Xia, Shang and Zhou dynasty to the remote future.¹²

The leader of the revolution for constitutional democracy was Dr. Sun yat-sen (1866-1925), born in Guangdong provinces, educated in Hawaii and Hong Kong, as well as in his native village near Macao. He was trained in Western medicine, and hence knew more about Western culture than did Hong Xiuquan and Kang You-wei. His program for the revolution was called the "three people's principles", namely, nationalism, democracy and people's livelihood. The socialist thoughts in Europe had an effect on him. According to his own account, it was during his two year sojourn in Europe (1896-1898) that the general outline of his "three people's principles" was formed. He discovered that with all their technology and nationalism, the Western nations were still beset by disturbing economic and social problems. The socialist thought which was prevalent in Europe at that time finally led to his principle of the people's livelihood. In *Manifesto of the Tong-meng-hui* Dr Sun expressed his thought of people's livelihood which links up with the equalization of land ownership:

Equalize land ownership. The good fortune of civilization is to be shared equally by all people of the nation. We should improve our social and economic organization, and assess the value of all the land in the country. Its present price shall be received by the owner, but all increases in value resulting from reform and social improvements after the revolution shall belong to the state, to be shared by all the people, in order to create a socialist state where each family within the empire can be well supported, each person satisfied, and no one fail to secure employment. Those who dare to control the livelihood of the people through monopoly shall be ostracized.¹³

In his later work *On Three People's Principles* he interpreted the principle of people's livelihood as socialism or Communism: "The principle of people's livelihood of our national party aims at equalization of financial resources in society, therefore the principle of people's livelihood is no other than socialism or Communism."¹⁴

As for Sovietism, Dr. Sun regarded it as the Confucian thought of great harmony:

Sovietism is no other than the Confucian thought of great harmony. Confucius said: 'When the great Tao was in practice, the world was common to all; men of talents, virtue and ability were

selected; sincerity was emphasized and friendship was cultivated. Therefore men did not love only their parents, nor did they treat as children only their own sons. A competent provision was secured for the aged till their death, employment for the able-bodied, and a means of up-bringing for the young. Kindness and compassion were shown to widows, orphans, childless men, and those who were disabled by disease, so that they all had the wherewithal for support. Men had their proper work and women had their homes. They hated to see the wealth of natural resources undeveloped, but also did not hoard wealth for their own use. They hated not to exert themselves, but also did not exert themselves only for their own benefit. Thus selfish scheming were repressed and found no development. Robbers, filchers and rebellious traitors did not show themselves, and hence the outer doors were left open. This was the period of great harmony. That is all according to the essential conception of the Soviet state. So there is no need to worry.¹⁵

Mao Zedong, the leader of Chinese Communist party, was born in Hunan Province, and his childhood educated and trained in the Chinese classics. His youth was influenced by the reformist thoughts of Kang Youwei and Liang Qichao, and then by the Communist thoughts through reading the journal, *New Youth*. No wonder that he linked socialism and Communism often with the Confucian idea of great harmony. He said: "Kang Youwei wrote the *Book of Great Harmony*, but he did not and could not find the way to attain the great harmony."¹⁶ This means that he criticized its methods of social reform, but did not repudiate its social ideal itself. In a sense we can say that Mao Zedong's Communist ideal is the continuation of the social ideal represented by Hong Xiuquan, Kang Youwei and Sun Yat-sen.

Confucian Socialism Is the Future of China

The above leads to some conclusions:

(1) The Confucian ideal society is the society of great harmony. This social ideal is similar to the European socialist or Communist utopias. Many leading persons in the modern history of China considered European socialism to be the society of great harmony that Confucius cherished. For example, Kong Youwei and Sun Yat-sen combined this Confucian thought of great harmony with European socialism or Communism and formed their own reformist or revolutionary theory. Under their influence the Chinese people understood what socialism or Communism means. This became the basis upon which Marx's Communist theory spread in China. Therefore we cannot simply say that Marxism is an outside culture and in conflict with traditional Chinese culture. We should review this problem from all aspects. In my opinion they have differences as well as similarities. The co-existence of the traditional Chinese culture and Marxism is more probable than that one will replace the other in the future.

(2) The society of Small Tranquility is relatively realistic. Confucian politicians usually strive first for the society of Small Tranquility, then for the society of great harmony when the conditions are ripe. But there is an exception. When the society is polarized, and peasants and workers live in poverty, radical revolutionary action tends to equalize social resources for livelihood and realize the society of the great harmony immediately. Accordingly, we can make some prognoses: If Chinese society remains stable and the economy develops, the Chinese leadership is more likely to pursue a realistic course, in other words, they want to build a relatively good and attainable society. But if the society is polarized the radical Communist ideology will revive and become a dominating force.

(3) Obviously there are differences between the Confucian thought of a great harmony and Marx's socialism. The emphasis in Confucian thought of the great harmony is social security, that is, the aged are supported till their death, the young are shown loving care in their growth, the able-bodied have employment, etc. The focal point of Marx's socialism is that society control all productive means and takes charge of the whole process of production and distribution. Practice has proved that overall state control in production and distribution dampens the enthusiasm of the masses and harms the development of the economy. But state regulation of supply and demand is necessary for the stability of economic development; social security is humane and can keep the society stable. Therefore a market economy with state regulation and social security is comparatively good and realistic. According to the Chinese tradition we can call it "the society of Small Tranquility". According to the socialist theory in China it is called "socialism in a primary stage". Perhaps the correct name should be a "social market economy", which is easily understood by Western theoreticians.

(4) Both individual enthusiasm and collective spirit are needed to construct the country. In a market economy the masses have a spontaneous tendency towards individualism. Therefore the collective spirit should be energetically encouraged. The ideal of the great harmony is the fountainhead of the collective spirit. Perhaps the society of great harmony (the Communist society) is always a utopia, but without this utopia as a moral force we cannot successfully and peacefully construct the realistic society of Small Tranquility.

Notes

1. Cf. Wang Zhangling, *Communism and Chinese Culture* (Taipei, 1970), pp.4-5.
2. *Ibid.*, pp. 423-424.
3. Mao Zedong, *On People's Democratic Dictatorship*.
4. Cf. The leading article of the *People's Daily*, May 4th 1969.
5. Confucius, "The Evolutions of *Li*" (*liyu*) in the *Book of Rites* (*lij*).
6. Confucius, *The Analects*, 3, 25.
7. *Ibid.*, 8, 41.
8. Mencius, *Mencius* 3a, 3.
9. *Ibid.*, 7b, 14.
10. Hong Xiuquan, *The Instruction of Primary Principle to Awaken the People in the World*.
11. Hong Xiuquan, *The Land System of the Kingdom of Heaven*.
12. Kang Youwei, *Commentary on Confucius's Analects*, 2, 10.
13. Sun Yat-sen, *The Manifesto of the Tong-meng-hui*.
14. Sun Yat-sen, *On Three People's Principles*.
15. Sun Yat-sen, *The Letter to Mr. Quan Yangyi*.
16. Mao Zedong, *On People's Democratic Dictatorship*.

Metaphysics, Culture and Economic Development

George F. McLean

Perhaps a first thing to note with regard to this issue is how radically the question has shifted in this century in China, as throughout the world. In 1919 there was little doubt not only that development required scientific reason and democracy, but that in order for these to be ushered in it was necessary that classical China's ancient worldview, typified by Confucius, be ushered out. 25 years ago in the United States it was constantly repeated that application of the technological reason that took man to the moon could solve the major social problems of modern life. In India ten years ago it was argued by many that progress could come only upon the substitution of science for *shruti* (or sacred books).

Now such a supposition appears largely outmoded. It is not that progress has been defeated and that tradition now reigns, but rather that precisely with the broad spread of intensive economic development, or at least its beginnings, the insufficiency of scientific and technical development as a total and exclusive pattern for human social life has become manifest. Once again the resources of the ancient wisdom borne by the tradition begin to be valued and sought. But how do the two relate one to the other? Are they simply antithetic such that the advance of one entails the loss of the other? Do they come from quite different sources, e.g., moral sentiment from within and economic factors from without, so that one must be an intrusion upon the other?

Or does a cultural tradition consist of the progressive integration of the experience of life in this world? If so the challenge may be both more natural, more difficult and challenging, and more rewarding than has been foreseen. It will be more natural if the process of modernization is, in effect, a new experience to be integrated. At the same time, it could be more challenging if that new experience is founded in a type of reason (analytic) which contrasts to the synthetic reason by which the integrated cultural traditions have been constituted. Finally, this could be especially rewarding if it allows us to plumb more deeply into the roots of a culture and unleash more of its power and beauty.

Culture and Hermeneutics

The early view that science would replace cultural tradition soon proved inadequate. By the mid-thirties the scientific instruments of progress had been turned directly against persons and whole peoples. The last fifty years could be summarized as the struggle to liberate the person from the dehumanizing effects of subjecting all to the external forces of economics (mercantilism), or of power (totalitarianism), or of their combination (colonialism). Philosophically in the West this struggle has been carried forward especially by phenomenology and existentialism which opened a path first to the interior subjectivity of the individual, but then to a new appreciation of cultures, no longer as mere ethno-logical curiosities, but as the social forms of creative human freedom itself. Thus, the historical hermeneutics of H.G. Gadamer opened the way to understanding cultural traditions as patterns of values and virtues developed through human experience and bearing moral authority. Could such cultural traditions evolve with the times, and even provide a source of creativity in a period of economic development?

Culture as a Pattern of Values and Virtues

Living things survive by seeking the good or that which perfects and promotes their life. Thus, a basic exercise of human freedom is to set an order of preferences among the many things that are possible. These are values in the sense that they "weigh more heavily" in making our decisions. Cumulatively, they set the pattern of our actions. As practiced they develop special capabilities or strengths (virtues) on the part of a people. The pattern of values and virtues is the heart of a culture as an integrated human life in which the creative freedom of a people is expressed and implemented.

Tradition is the cumulative process of transmitting, adjusting and applying the values and virtues -- or culture -- through time. It is the heritage of cumulative experience that is inherited or received and which we reaffirm and actively pass on to the next generation. Attending to tradition taken in this active sense allows us to uncover not only the permanent and universal truths sought by Socrates, but to perceive the importance or authority of the values we receive from the tradition in the work of mobilizing our own life project actively toward the future. We shall look more closely at each of these.

The Moral Authority of Cultural Traditions

As received, tradition is not against freedom; it is rather the cumulative freedom of a people. Persons emerge from birth into a family and neighborhood from which they learn and in harmony with which they thrive. Horizontally, through experience one learns what promotes and what destroys life and accordingly makes pragmatic adjustments. Vertically, and more importantly, one learns what is truly worth striving for and the pattern of social interaction in which this can be richly lived. This, rather than all that happens -- good or bad, or history -- is what is passed on (*tradita*) and hence called tradition. The importance of tradition derives then from the cooperative character of both the learning by which wisdom is drawn from experience even the experience of failure and from the cumulative free acts of evaluation, re-commitment and sacrifice which have defined, refined, reaffirmed, defended and passed on through time as keys to the corporate life of the community.

Hence, cultural traditions attain their authority not by the arbitrary imposition of the will of forbears, but on the basis of what has been learned from horizontal and vertical experience and passed on. Through history there evolves a vision of actual life which transcends time and hence can provide guidance for our life--past, present and future. The content of that vision is a set of values which point the way to mature and perfect human formation and thereby orient the life of a person. Such a vision is historical because it arises in the life of a people in time and presents an appropriate way of preserving that life through time. It is also normative because it provides the harmony and fullness which is at once classical and historical, ideal and personal, uplifting and dynamizing -- in a word, liberating. For this reason it provides a basis upon which past historical ages, present options and future possibilities can be evaluated.¹

A. Cua suggests² that in the Chinese tradition this is constituted not only of contemplative understanding; it implies active engagement in the conduct of life and an accumulation of good deeds done according to *li* or ritual propriety and *i* or sense of rightness. "For the adherents of the Confucian tradition, the tradition is an object of affection and reverence, largely because the tradition is perceived as an embodiment of wisdom (*chih*), which for Chu Hsi is a repository of

insights available for personal and interpersonal appropriation, for coping with present problems and changing circumstances."

Application, Adaptation and Creativity

This sense of coping with changing circumstances brings out an element that is most important in a period of economic development, namely, that tradition is not a passive but an active process which transforms what is received, lives it in a creative manner and passes it on as a leaven for the future.³ Taken diachronically this character of tradition as receiving and passing on takes time seriously. It does not stop with Plato's search for eternal and unchangeable ideals, with the work of *techné* in repeating exactly and exclusively a formal model, or with rationalism's search for clear and distinct knowledge of immutable natures by which all might be controlled. Rather, in its application according to the rich distinctiveness of persons and their situations, tradition is continually perfected and enriched. It manifests the sense of what is just and good which we have from our past by creating in original and distinctive ways more of what justice and goodness mean. J. Pelican's distinction is important: "Tradition is the living faith of the dead, traditionalism is the dead faith of the living."⁴

Application of the tradition requires prudence (*phronesis*) or thoughtful reflection which enables one to discover the appropriate means for the circumstances. But it includes also the virtue of sagacity (*sunesis*), that is, understanding or concern for the other. One can assess the situation adequately only inasmuch as, in a sense, one undergoes the situation with the affected parties. This is more than respect for their universal rights, for economic activity requires a detailed sounding of the free preferences of others and entails an active empathy and a positive concern to promote their welfare.

Cua finds similar notions in the distinctions of Chu Hsi in the neo-Confucian tradition regarding the diachronic sense of *tao* between the substantial (*t'i*) and the operational (*yung*), the stable basic or latent schemata and their operation in changing circumstances (*fei*). Hsün Tzu distinguishes the constant (*ch'ang*) and the changing (*pien*), the constant rule (*ching*) and the sliding scale (*ch'üuan*). Use of the latter as an exercise of moral discretion based on *li* is essential for development in our days due not only to the imperfections of our knowledge, but to the increasing complexity of life. In these circumstances to hold to a static mean would undermine the realization of the holistic goal of the *tao*.⁵

Such a reading of the tradition is then less a matter of appreciation and conservation than of original, creative and free expression. In any case, it is impossible to read an ancient text with the eyes long closed of its author. This is so not least because, to the very degree in which that were to succeed, it would destroy the text as a vital expression of the process of life. Attention to a culture does not seek to reiterate old times in remembering the lives of our forebears. Rather, it is a recognition that in new times with new horizons and new questions, we inherit, draw upon and shape the learning and cumulative responses of our people. This enables the tradition to speak new meaning so that the tradition does not die, but lives and is ever more enriched and enriching. In tradition thus understood we can situate an effective effort to face the challenges of economic development as a dimension of the broad effort to create a future worthy of the generations to come.

It is true that in the past values of stability prevailed over those of progress, and undoubtedly, according to the needs of society, at times they will again in the future. But whether the search is for stability or progress or, more likely, for stability in progress -- the proper human and religious

values and virtues of a people, articulated in the symbol system proper to a culture, will remain essential.

From Social Critique to the Aesthetic Judgement

To this Jürgen Habermas of the neo-Marxist Frankfurt School has replied at two levels.⁶ Earlier his concern was that a return to the tradition might too easily continue unjust social patterns from the past. It was his hope that this could be corrected by a critical hermeneutics based upon the social sciences. Upon further work it became apparent to him that these, too, were not simply objective and immune from ideology. Subsequently, he turned more directly to human subjectivity as this evolves in dialogue or communicative action with others.

For adjudicating empirical and normative claims Habermas's critical hermeneutics involves a critical instrument consisting in formal rules which, if followed, orient the dialogue in the direction of the true in the case of empirical investigation, and the good, in the case of normative discourse. For the former, the rules, which are purely formal, are three: that all subjects capable of speech and action be permitted to take part in argumentative discourse (participation); that those participating have an equality of opportunity to initiate and sustain dialogue even by changing positions, making suggestions or raising objection at any time (symmetry); and that the discussion proceed free from internal and external influences which might somehow constrain and distort the results to be reached (openness). The aim of these presuppositions of argumentative discourse is to guarantee that the consensus reached in such communicative exchanges represent nothing other than the un-forced strength of the better argument.⁷ And while Habermas re-cognizes that such a situation for dialogue is an ideal which is never realized, it remains normative for the ability of the dialogue to be directed toward truth.

Moreover, in the case of normative discourse where the issue refers to norms, rules and regulations affecting the social lifeworld of those so affected, Habermas argues that, in conjunction with the formal rules above, the validity of contested or proposed norms be tested by means of a "principle of universalization", the function of which consists in guaranteeing that norms qualified as valid express the general will of the participants in the dialogue. The principle is formulated by Habermas in these terms: "All affected can accept the consequences and the side effects its general observance can be anticipated to have for the satisfaction of every-one's interests (and these consequences are preferred to those of known alternative possibilities for regulation)."⁸ This rule serves as a "bridging principle", which functions as an analogous and general hypothesis: "faced with these alternatives all would agree. . ."⁹ In the case of practical discourse the principle of universalization seeks to regulate argumentation among a plurality of participants with a view toward ascertaining the unqualified assent of all who are or might potentially be affected by it. One may suspect that the agreement ensuing such a procedure will represent -- as occurs in democratic political discourse -- a homogenization of real needs in the interests of an abstract universality or, failing that, a compromise expressive of an irreconcilable plurality of views and in-terests.¹⁰

The norm for truth is the degree of universality of its application. In this there is some similarity to Aristotle. His scientific syllogism requires a middle term (M) expressing the formal constituent of the subject that is the proper reason for the phenomenon to be understood (P).



This middle term must be universal in the sense of extending to all and only the instances of the phenomena to be understood. This extension, that is, the set of instances to which it applies, directs the search for the intention, that is, the meaning content which must constitute the middle term. Thus, the requirement of universality of extension guides the intellect to focus upon and abstract the precise nature or intention which renders intelligible the phenomenon or predicate in question. In this sense, universality is a sign of, and hence a guide to, understanding, and hence to the abstraction of the nature in question and its articulation as a concept.

For Habermas, in the tradition of Kant's first critique regarding the nature of scientific knowledge, the form is, however, a constituent reality not on the part of the thing in itself, but of the operation of the mind. In the sense of Kant's *Second Critique of Practical Reason*, it is a law which is autonomous in that I give it to myself, but which is universal in that it is able to be a law for all. In Habermas's communicative action this corresponds to a principle which would be agreed to by all in an ideal dialogue in which all may take part, imagining themselves as playing all or any role in all situations. Rawls's *Theory of Justice* is an extensive attempt to codify justice in these terms.

This can be very helpful in the implementation of Gadamer's notion of application which stresses the importance of the content of the tradition being continually rethought in new situations in order that its implications or applications be unfolded. An ideal dialogical situation, taking full account of all who are engaged in an issue, can be an important model for the development of a cultural tradition in a time of intensive economic development. It stresses the need continually to rationalize the lifeworld by making its principles more clear, more just, more adequate and more humane.

I would go further, however, to make this reversible. For if, in fact, that lifeworld or culture is the cumulative result of lived experience, such a process of application not only applies old principles in new ways, but can expand or refine principles on the basis of new experience. As seen above this is a natural and necessary dimension of the life of a culture as the creation of a people in facing the challenges of life. It is particularly important in a situation such as the present with a vast explosion of economic activity. The concern for universality in the sense of including all persons in a society and of applicability to all their increasingly differentiated roles can be an important metatheoretical consideration for expanding, enriching and deepening the ethical content of the tradition.

But while universality is essential and can guarantee minimal rights on the part of all, it should be asked whether universality is enough. For universality is achieved by abstraction which attends to some common features but omits precisely that which is unique about a reality. It may protect the right of each person to a range of activities, but as formal it is not concerned with who concretely this person is, what their actions are, and how they relate to the community. Thus, it is not incidental that equality and justice become the central concerns. L. Kohlberg would build his theory of moral education around the development of the capacity to make judgements about justice, and his structures in turn were the basis of a work by Habermas concerned with the

development of a more just social order.¹¹ But development is a matter of novelty, creativity and initiative in the concrete, and to these the universal and the formal do not attend.

On the other hand, the notion of compromises reached in public by means of formal discursive procedure, such as that proposed by Habermas, is susceptible to a number of criticisms. First, no formula or method is put forth for deciding between legitimate and illegitimate compromise.¹² Further, though Habermas conceives of a discursive project in which "mythological, cosmological, religious and ontological modes of thought have been superseded," such a procedure will for the most part fail to accomplish much more than a "partial penetration of a thorough-going pluralism".¹³ The ethical question remains, viz., in function of what does one discern what is ethical from what is nonethical if the purely formal constraints concern only the method of dialogue? Is the question of abortion, for instance, to be decided merely on the basis of the general will of those engaged in the discourse?¹⁴

Habermas would want to add a quantitative criterion, namely that open discussion will enable the strongest or most powerful arguments to prevail. But the reference to strength or power surreptitiously returns through metaphor to a quantitative criterion when nothing less than a quantitative one will do.

Further, in a time of economic development there is a requirement in justice for equal access by all to this development and for protection against abusive and exploitive practices. But, on the one hand, if this is done in a negative manner simply by suppressing all initiative then development itself is stifled; it is not sufficient simply to do away with what is unjust or socially corrosive. On the other hand, Madison and the American Federalists in the tenth of the *Federalist Papers* suggested in terms of Hobbesian conflict that creative development can be fostered on the basis of individual ambitions and interests competing in a conflictual process ruled only by laws from afar. In fact, the result has been a rapacious exploitation of nature, employees, companies and people whose dimensions are daily being discovered in corruption which succeeds in surpassing even the imagination.

What is needed now is rather the development of a worldview or culture which evokes creative freedom and promotes initiative both personal and social. Moreover, it must overcome the dichotomy between these two so as to engage the essentially social character of the person and the essentially personal character of society. How can philosophy undertake this challenge; what dimension of reflection is required for this task?

Kant himself thought initially that it was sufficient to have two critiques, the first for pure reason or science and its universal and necessary laws, and the second for practical reason and its universal laws of freedom for its moral exercise. It was only when he had completed these two that he could see that his task was not over. On the basis of the first critique, freedom when confronted by a world ruled by universal and necessary laws without purpose or goal would have to become a fugitive from the world and find sanctuary only in the heart; as dependent for its alternatives upon the imagination described in the first critiques whose task it is to coordinate all in relation to those same necessary laws, freedom would be but a servant of the universal and repetitive processes of nature.

On the basis of the second critique, if freedom were reduced to only the terms of its own universal laws it would lack sensitivity to concrete needs and opportunities, as well as to creative free decisions and the spontaneous responses to the unique exercises of freedom by others.¹⁵ But such sensitivity is precisely the area of entrepreneurial dynamism which must look for concrete opportunities and bring together multiple resources, physical and human. Further, it is the area in which successful management decisions lie if they are to take account of the properly human

dimension of the employees. Finally, it is the terms in which one must relate to the shifting needs and preferences of people in order to have successful sales. What is needed then is a higher dimension of reason which can stimulate the concrete exercises of freedom and allow for its free orientation in terms that are harmonious on the basis, not of ambition or interests, but of deep social or civic concern expressing love of one's neighbor, of one's people, and of all humankind. Indeed, it must extend beyond humankind to embrace as well the entire physical universe.

This is so distinct that Kant would have to write an additional critique, that of *Aesthetic Judgement*, in which he described a level of reason that works on the basis of an active imagination actively exploring the full range of possibilities. These it evaluates, in terms not simply of external individual or even of national self interest, but of the interior sense of a person and a people, namely of a culture, as to what is harmonious, that is, not conflictual and ugly, but fitting and attractive, inspiring and enlivening. This is not a matter of either head or heart, either spirit or body, but of the deepest most integrating center of the person as a whole.¹⁶

This would appear to correspond to the rich sense of harmony found in Confucius, provided that be taken, not in the sense of immobility and obedience, but in its earlier sense of taking account of many and diverse elements and bringing them together in a harmony or balance that is sensitive to, and promotive of, all. Hence, Mencius's sense of the mean at which virtue is located was not that of a fixed mark as on a ruler, but of a constantly adjusting equilibrium as on a movable scale (*ch'üuan*) which depends on a movable element that must be adjusted continually to take precise account of each and every addition or subtraction. This requires a new dimension of reason -- one that is synthetic rather than analytic, unitive rather than disjunctive, and able to take account of the concrete and weave all into a larger harmony.

Ultimate Concern: Existence and the Dynamism of Being

Vaclav Havel in a talk on July 4, 1994 took this a step further. He said that it was not sufficient that life in our day be predicated upon disjunctive individual human rights (reflecting the universal laws of Kant's second critique above), but that these must be related one to another socially and founded upon a higher real principle of unity that extends beyond the individual to peoples, to cultures and to physical nature as well. This attends not only to what all share equally, but evokes the uniqueness, creativity and initiative of each and inspires them to open their horizons. Paul Tillich described this phenomenologically as ultimate human concern which reconciles our dichotomies, enlivens our freedom and guides it in paths of harmony and love.

This suggests the originating sense, and even the etymology of the term "philosophy" as love of wisdom. It calls for it to return to its original, properly metaphysical task of evolving an appreciation of being or reality which can relate both the physical and the spiritual in turn of a real absolute principle which transcends both, and to understand how all are united therein and expressive thereof: the infinite and the finite, the One and the many, the Absolute and the relative. To this each culture responds in its own distinctive manner. Indeed, inasmuch as this is the primary principle of a culture it might be said that the development of its own deep sense of this unitive and coordinating principle is the key to the development and appreciation of a culture and of its relation to others.

But what is the dynamism here: does a people's sense of the character of this unitive principle develop first and then shape all of life, or does the experience of life with its new and changing character constitute a veritable revelation of the source and goal of all? In the latter movement, the appreciation of the principle or source results from the experience of the development of life that

is both spiritual and economic, or to come closer to Marx, that is manifested in its struggle for development. What then should we conclude regarding the basis of the sense of the good or of perfection in which we have been raised, which gives us dominion over our actions, and which enables us to be free and creative: does it come from God or from man, from eternity or from history? Chakravarti Rajagopalachari of Madras answered:

Whether the epics and songs of a nation spring from the faith and ideas of the common folk, or whether a nation's faith and ideas are produced by its literature is a question which one is free to answer as one likes. . . . Did clouds rise from the sea or was the sea filled by waters from the sky? All such inquiries take us to the feet of God transcending speech and thought.

Seen within such an interaction of concrete experience and the development of awareness of principles, both speculative and concrete, the present explosion of economic activity becomes particularly important for philosophy and *vice versa*. If many now "go to the sea", the mist generated by their intensive activity can rise to enrich or unfold the higher principles of their culture. These, in turn, can provide the dynamizing and orienting elements needed for action that will be both creative and constructive. This could mean a reenactment of the 1919 reception for Mr. Science and Mr. Democracy. This time economic activity would provide the bread and Confucius would remain as the genial host leading all in dialogue. After the manner of Habermas' communicative action all might learn from one another, and together work out ways to cooperate for the good of one's own people and all humankind.

Paul Tillich's phenomenology of ultimate concern can open the way democratically for such an appropriation of being in terms that are based upon human consciousness and that relate to economic development. His phenomenology follows the human spirit as it moves from choices between multiple objects of consumption (which kind of housing) or even between multiple careers to be a businessman, agriculturist or doctor), to the basic meaning of life in whatever mode it is lived. Sometimes this question is forced upon one with the greatest urgency, as by a catastrophe which threatens or takes away one's possessions, careers or even families. At times it develops when, as Aristotle suggested, the necessities of life having been taken care of, we have leisure to reflect. But in all these cases our mind breaks beyond its attention to contraries (e.g., to be either a doctor or an agriculturist) to focus upon existence or life itself which can be lived in these many modes. Thus, before the threat of death -- as at the moment of birth -- the entire atmosphere and range of preoccupations shifts dramatically, being suddenly transformed from tactical adjustments for limited objectives to confronting existence in sorrow or in joy and in terms that plunge to the center of the entire range of meanings. In these dramatic and defining moments attention is directed to the basic sense of our daily life; this is to see life in terms of one's ultimate concern.

Here, awareness of being as existence enables the mind to span the whole range of reality as a single field and to undertake a controlled and critical investigation of what it means to be. This, in turn, opens the way to awareness of a transcendent level of reality. For, as Parmenides carefully and critically reasoned, being itself, as totally other than nonbeing or nothingness, must be free of negation and limitation and hence be unlimited or infinite; un-marked by inner negations, it is one, simple and in total self-possession; it must not begin, but always be -- it is eternal.

In this Absolute all limited existents share and have their being; in turn, it is what their lives image, express and reveal. This is Plato's sense of participation (*mimesis* or image) which constitutes a kind of unified field theory according to which all that is finite, multiple and relative

is the image of that which is Infinite, One and Absolute. In the Christian context of creation, as well as with Heidegger, existence appears even more dynamically as erupting into time, explosive and creative.

What is the implication of this for economic development: does it distract one from the details of daily life which must be attentively controlled for economic success, or does it enable one to discover the basic nature of reality and hence facilitate all efforts in this world? The allegory of the cave in Plato's *Republic* suggests both, namely, that beginning from scrutinizing the details of the images as shadows cast upon the wall of a prisoner's cave, we need to turn to the basic formal patterns of similarity between the images (as in the discovery in chemistry of the periodic table) and above all to the light, existence, or Being itself by which and of which, the shadows are cast - that by which all is. This is true freedom from bondage in the cave and is the unveiling of one's ultimate concern. Enlightening all, this reveals the definitive significance both of the formal types as the range of *possible* ways of being or living, and of concrete realities as the *actual* exercise of being or existence. Indeed, Tillich would invert the allegory and suggest that this is not to abandon the concrete for a transcendent reality, but to penetrate to the immanent or inner core of the meaning, dynamism and purpose of concrete daily life.

The Characteristics of Being and Economic Development

This suggests that management methods be informed not only, as in the past, by efficiency techniques based upon ever closer attention to the surface details of the time and place of each motion made by each worker, but also by attention to the nature of the worker as a person who acts and to the nature of his or her work as a dynamic expression of the Source of being. Conversely, it suggests that the crucial task of philosophy as wisdom, namely, to unfold the nature of being or what it means to be, may be enriched by examining the challenge of life in each age through which a people develops its culture.

Classically, this has been done in the Greek philosophical tradition in terms of unity, truth and goodness, each unfolding the preceding characteristic. In Hindu thought, at the root of Buddhism, this is an unfolding of the inner life of the Absolute Being or Brahma as existence or *sat* (corresponding to being), consciousness or *cit* (corresponding to truth), and bliss or *ananda* (corresponding to the good). In Christian cultures it is the inner life of God seen as triune: namely, the Father as existence and the one source of all existents; the Son, as the conscious expression of the Father as Word (*logos*) or truth; and the Holy Spirit as the enjoyment of goodness, bliss or love. The different Greek, Hindu and Christian traditions converge in describing the threefold inner life of being. Let us then examine unity, truth and goodness in sequence, now with attention to economic development, in order to see how such development and the inner life of being can be mutually enlightening.

Here, our methodology will draw upon Habermas's sense of communicative action by looking into the divisions which need to be worked out in the process of dialogue. However, rather than taking these as surface conflicts which can be resolved simply by the compromise of factors which are of no inherent significance, we will look more deeply into the human realities involved in order to learn of the basic nature of reality in terms of which the re-resolution of these differences is possible. This, in turn, can point the way to a real resolution of tensions which promotes development rather than compromising human dignity.

This, of course, is not the first time such a depth reflection will have taken place; indeed the traditions of the various cultures consist of the fruits of just such continuing reflection through the

ages. Hence, it can be hoped that such a process of reflection will both enrich our appreciation of the deep sources of our cultural traditions, and carry them forward as life-giving for our times. Here it will be possible only to sketch out the general lines of such a process. It is for each culture to undertake the many dimensions of the issue in terms of the specific character of its present dilemmas and with regard to the content of its cultural tradition.

Unity

With regard to unity the dilemma which arises in economic development in our times, as elsewhere, is the tension between the unity of all and the uniqueness and hence diversity of each. It is clear that for economic progress the unique initiative and creativity of each person, or at least of most people, is required. At the same time, it is clear that conflictual self-seeking by many individuals without cohesion and complementarity will be destructive of all. Compromise in a Hobbesian manner would garner the needed cohesion, but would do so in a negative manner, namely, by compromising dimensions of personal freedom in order to reduce the level of mutual attacks. Some theories of justice are but a working out of these compromises. Looking more deeply into the nature of particular being promises to reveal whether the many are necessarily antithetic so that their uniqueness needs to be compromised, or are complementary such that promoting the true and authentic uniqueness of each is the way to develop the community and its cooperative enterprises.

This dilemma of uniqueness and unity directs attention to our traditions to see what has been learned over the ages. At the very beginnings of Greek philosophy unity was recognized by the first metaphysician, Parmenides, as a first characteristic of being. He reasoned that in order simply to be rather than in some way not be, that is, in order to stand against the nonbeing or negation implied in the notions of beginning, limitation or multiplicity, being as such -- and, hence, Being Itself -- had to be eternal, infinite and one. Further since finite or limited beings do, in fact, exist, Plato added that their reality must be a participation in the infinite, eternal and unchanging One, the "external" transcendent, which they reflect in every facet of their being.

When this is seen in terms of the Christian sense of existence as the dynamic, creative power of being communicated from the one divine Being a number of things follow. On the one hand, sharing in this Absolute, limited beings are not mere functions of other realities, but subsist in their own right: the creator, in making them to be as participations of Himself, makes them to stand in -- if not by -- themselves, and to have a proper identity which is unique and irreducible. This is the foundation of Boethius's classical definition of the person as a *subject* of a rational nature. Inasmuch as they reflect the divine, such beings are unique and unable to be assumed by some larger entity -- even by the divine. To the degree that they reflect the Absolute and Transcendent, they exist in their own right.

On the other hand, because all limited beings are made to be by the same unique transcendent Being, their foundational existence-in-themselves, rather than alienating them one from another, makes them to be related one to another, and this by the very fact of their participated individual uniqueness. If to be is to exist in oneself as a creature of God, it is thereby to be foundationally related both to Him and to all manifestations of His being.

What is more, each being exists in its own way or as analogous. That is to say, it is not that beings are made up of components most of which are common to many and to which is added something unique. (This undergirds the various forms of totalitarianism when that which is unique to each is discounted in favor of what is common; it undergirds the various forms of individualism

when what is common is discarded in favor of what is unique.) Rather, each is an entirely unique realization of the com-mon humanity in its own proper manner; one's uniqueness is a unique realization of humanness, not some inhuman or nonhuman self-identity.

Seen in the light of the Transcendent, being or "to be" is then to be radically myself, irreducible to nonbeing whether in the form of any reduction in my own being, subjection to another, or merger as a mere member of a group. But, by the very same participation in the One divine source and goal of all, to be myself is equally and indissociably to be related to others. One is not compromised, but enhanced by the other in such wise that one achieves one's highest identity in loving service to all.

This constitutes a crucial context for economic development integrating the sense of being a unique, irreplaceable and creative eruption into time with a task to accomplish. It recognizes the personal dignity of all -- oneself, one's employees, one's customers -- even to the extent of each being an image of God. This includes as well an indissociably social and civic character for business, such that the uniqueness of the person lies above all in his or her realization of service that reaches beyond oneself.

Conversely, the context of economic development renders these factors ever more evident. Not only does the dynamism of a whole people suggest to our minds the dynamic power of the divine, but the difficulty of coordinating the different interests of so many forces us to look with new eyes at the importance of the single Source from which all come. To the degree that we learn of its nature we shall be able to appreciate the possibilities not only of living together, but of intensively interacting and cooperating in the economic development of our times. If the divine is the one source of being, the economic order is now one of its most dynamic reflections.

Truth

Truth has to do with the openness to mind and hence of communicability between minds. Increasingly, it appears that economic development depends less on the simple possession of physical resources and more upon the development of scientific and technological knowledge. Today, in its joint enterprises a country looks not only for funding and machinery, but for the technological understanding on which these are based, for such understanding is the real key to future development. The nature of the reality that this supposes most basically has been called truth.

Truth is an unfolding of the unity of being. Unfortunately, too often unity has been seen in terms that are static, reductionist and even merely selfish. Property, for example, has been looked upon as the right to withhold possessions. Rights have been seen as license to turn inward along the lines of the all-consuming orientation of freedom-as-choice. In that light, one's being comes to be looked upon as a possession to be acquired and conserved or, worse still, to be bartered. Were the sense of reality to be reductively material, the laws of the conservation of energy and of commercial exchange would dictate that we guard what we have, share it only when we can obtain equal return, and exploit others to the maximum possible degree. In this case, Hobbes's description of man as wolf to man as short, brutish and mean, would not be far from the mark. Unfortunately, this has colored the model of the market developed paradigmatically by Adam Smith.

In contrast, a culture marked by a sense of outer Transcendence should be quite the opposite. The original and originating instance of being is pure knowledge, Aristotle's knowing on knowing (*noesis noeseos*) or, better yet, simply Truth. As imminently one and simple, it does not have the division we experience between our capability for knowledge and its actuation, between our mind

and the ideals it generates. Instead, in perfect unity complete intelligibility is identified with complete know-ledge to constitute truth itself. From this it follows that each of its participations is true, intelligible or open to mind to the very degree that it is or exists.

Hence, Parmenides could say immediately upon initiating metaphysics: "It is the same thing to think and to be." All being is indeed openness to intellect; what is radically closed to mind simply is not and cannot be. In such a context philosophy moves confidently -- if not always correctly -- to overcome obscurity and fear; science races forward, confident that each step of insight constitutes solid progress in humankind's exploration of this universe; in the practical order of economic development problems are not destructive dilemmas and permanent contradictions, but challenges to be solved. When rational decisions are founded upon reality, the mind thrives, the creativity of human genius is invigorated, and development moves forward.

Truth speaks itself as word; indeed it proclaims itself or reaches out to intellect; as truth being is openness, manifestation and communication. To attempt to hide the truth would image Chronos in the ancient Greek myths who attempted to swallow his children rather than allow them to enter into the light. This is contrary to the nature of being and as violent as attempting to force a river to flow upstream; eventually, it must be unsuccessful. Where untruth enters or the expression of truth is inhibited the effect is paralysing, disorienting and destructive of economic and scientific development.

Hence we learn more of the nature and significance of truth as we discover today how essential is an open and truthful atmosphere for promoting research, production, advertising and sales. Further just as a musician or poet unfolds the many potential meanings of a single theme, so via truth being unfolds its meaning and communicates itself to others. Here, the human intellect plays an essential role by conceiving new possibilities, planning new productive relationships, and providing for the needs of mankind on its pilgrimage. In terms of truth, economic development constitutes then both spectroscopy and kaleidoscope of reality.

Conversely, if truth is in its source infinite or unlimited then we can know that the modern accomplishment of clear and distinct ideas is but one dimension of reason. As *techné* this identifies what is common and repeatable; as with a mathematical formula, once learned it is completely known. Economic development, in contrast, is ever in search of what is not yet exhaustively known or realized. This requires symbols which suggest but do not yet define, and mystery reflecting what is inexhaustible and ever unfolding.

Goodness

While truth relates especially to the nature of things and thus unfolds the range of possibilities, more is needed for the dynamism and the orientation required for development. This is the ambit of the good. Without this consistent orientation to what is in some way perfective, rather than to what is evil or destructive, the physical order could not be organized, freedom and creativity could not be mobilized and, as Kant pointed out, orders of science (the first critique) and of freedom (the second critique) could not be coordinated as is essential for economic development.

Goodness as the third property of being expresses the conjunction and fulfillment of unity and truth in celebration of the perfection of being or, where imperfect, in the search for that perfection or fulfillment.

As Being Itself is absolutely perfect and eternally self-sufficient it has no need for other beings; it creates then not out of need, but out of love freely given. In this light the understanding of all beings and thus of human life and freedom is transformed. Human freedom is based not on

an indeterminism but on a supra-determinism.¹⁷ Because the human intellect and will are open to the infinite One, the original Truth and the Good, the human will can respond to any limited and participating good, but at the same time cannot be necessitated thereby. In this lies the essence of freedom: as liberated from determining powers, whether internal or external, the will is autonomous, yet is positively oriented toward the good and its realization in all circumstances and in limitless ways. This is the positive attraction of beauty and harmony as the vital goal of the human creativity.

Indeed, we are delicately but dynamically perched. Realizing some goodness or perfection in ourselves, but open by intellect and will to unlimited perfection or goodness (vertical transcendence), we are not indifferent and inert, but dynamically inclined. Development is not alien to our nature, but essential thereto. This has twofold significance. On the one hand, it is an implication and expression of the divine source, while on the other hand the dynamic power of economic development becomes in turn a revelation of the pervasive powerful and persistent attractive power of divine love. The same is true of the horizontal dimensions of transcendence which are closer to us, e.g., the community in which we live and the enterprise in which we work; these should draw us out, enliven us, and found the development we seek.

Freedom then is not merely the ability to gather and accumulate, or statically to maintain, repeat or conserve; nor even, as in Kant, freedom the ability to do as we ought. Rather, it is freedom of self-determination, whereby we can "change our own character creatively by deciding for ourselves what we shall do or should become."¹⁸ Seen in these terms the economic order becomes a process of integrating and shaping the world around us in function of our process of self-realization as person and people. This may not be far from Confucius's original sense of harmony as an active interrelation of multiple and changing units, provided the harmony not be restricted to, but set within, the full pattern of nature. Still more dynamically, this is also a key to innovation and creativity; as creation is a radically free gift out of love, our life is rightly passed on by sharing it afresh with others.

A philosophy of the person as image of this divine transcendent principle transforms the sense of the person in this world. The human person remains part of nature; but rather than being subject thereto as a mere producer or consumer, it is a creative and transforming center, responsible for the protection and promotion of nature. Similarly, the person is by nature social and a part of society; but rather than being subject thereto as an object, it is the creative center of society and must be an integral part of all decision making.

Conclusion

As the movements of freedom in this half century reflect the emergence of new understanding of the person and its fuller role in social life, human dignity, equality, and participation in the socio-political and economic process have become central concerns. The search for adequate foundations for economic development can both draw upon the insights of a culture and enrich them.

In this the existential character of being and its three characteristics are central. First, the exercise of freedom in economic affairs is not simply a choice of one or another type of object or action as a means to an end, but is moreover a radical self-affirmation of existence within the unity of Existence Itself and with all others. Second, the truth of being assures that the world -- physical and social -- within which we act is not irrational and obscure, but is subject to rational planning and interaction which demands openness and communication. Finally, being as good constitutes

an inviting realm of action into which we are drawn, not simply for gains that return to us, but as reaching beyond ourselves to share the being we have received.

This new life of freedom means, of course, combating evil in whatever form: hatred, injustice and prejudice -- all are privations of the good that should be. The focus in terms of being, however, is not upon negations, but upon giving birth to reality as good and bringing this to a level of human life marked by an enriched harmony of beauty and love after the manner of Confucius and Christ, Buddha and Mohammed and all who have inspired humankind on its journey.

Notes

1. H.G. Gadamer, *Truth and Method* (New York: Crossroads, 1975), pp. 245-258.
2. A. Cua, "The Idea of Confucian Tradition," *The Review of Metaphysics*, 45 (1992), pp. 803-844.
3. Gadamer, pp. 281-286.
4. Jaroslav Pelican, *Vindication of Tradition* (New Haven: Yale University Press, 1984), p. 65.
5. Cua, *loc. cit.*
6. For a consideration of the relationship between Marx, the Frankfurt School and Habermas see Albrecht Wellmer, "Reason, Utopia, and the Dialectic of Enlightenment," in *Habermas and Modernity*, ed. Richard J. Bernstein (Cambridge, Mass.: MIT Press, 1985). For a reconstruction of Habermas's critical theory which places his work in the tradition of meta-critique, see Garbis Kortian, *Meta Critique: The Philosophical Argument of Jürgen Habermas*, trans. John Raffan (London: Cambridge University Press, 1980); for a reconsideration of Habermas's commutative theory as a contribution to metaphysics and vice versa see Robert P. Badillo, *The Emancipative Theory of Jürgen Habermas and Metaphysics* (Washington, D.C.: The Council for Research in Values and Philosophy, 1991).
7. Cf. Stephen K. White, *The Recent Work of Jürgen Habermas: Reason, Justice and Modernity* (New York: Cambridge University Press, 1981), p. 56.
8. Jürgen Habermas, *Moral Consciousness and Communicative Action*, trans. Christian Lenhardt and Shierry Weber Nicholsen (Cambridge, MA: MIT Press, 1990) p. 65.
9. *Ibid.* p. 63.
10. White, *Recent Work of Jürgen Habermas*, p. 76.
11. J. Habermas, *Moral Consciousness and Communicative Action*, pp. 116-194.
12. Cf. *Ibid.*, pp. 76-77.
13. *Ibid.*, p. 76.
14. For a discussion of this issue in the light of Habermas's discourse ethics, see Badillo, pp. 101ff.
15. For a fuller treatment of the relation between Kant's trilogy of critiques, see G.F. McLean, *Tradition, Harmony and Transcendence*, (Washington: The Council for Research in Values and Philosophy, 1994), chap. III.
16. J. Maritain, *Creative Intuition in Art and Poetry* (New York: Pantheon, 1955), chap. IV.
17. Yves R. Simon, *Freedom of Choice*, P. Wolff, ed. (New York: Fordham Univ. Press, 1969), p. 106.
18. Mortimer J. Adler, *The Idea of Freedom: A Dialectical Examination of the Conceptions of Freedom* (Garden City, N.Y.: Doubleday, 1958), I, 606.

Man's Ultimate Concern and Economic Development: A Chinese Dilemma

Wang Bin

Ultimate Concern and Economic Development

Several points must first be clarified before entering into a detailed discussion of this theme.

Firstly, "man's ultimate concern" is a religiously loaded expression in the context of Christianity. It is defined in this paper as the human pursuit -- spiritual, social or moral -- which transcends the subject's present physical existence and immediate material interests towards an ideal, but remote, future. The future is to be, or is hoped to be, a living reality, either in this world or the next.

Secondly, to render our discussion more realistic and less scholastic, I will frequently use two metaphors to describe or animate the rich meaningfulness of man's ultimate concern and economic development: God, in the broad wide sense, and Mam-mon, money or the devil.

Finally, the approach to their relationship will be more anthropological than philosophical, though in the final analysis the ultimate itself is a matter of metaphysics. The relation of God to Mammon is meaningful only when related to human nature and to immediate and future human concerns. Empirical life tells us that humans are half angel and half devil. As a rational soul, on the other hand, one always hopes to rise above one's imperfect nature and to reach absolute truth, beauty and goodness. This is a dream, both indispensable and impossible. It is in this sense that an anthropological approach can interpret the existence of God -- an anthropomorphic deity, utopia or ultimate concern -- as a projection of that dream; as such it is a necessary hypothesis which defies verification or falsification, and serves not only as a hope but as a normative force by which one regulates one's daily behavior.

The constant conflict between God and Mammon or dream and reality reflects a pair of deep-rooted yet contradictory human desires; it constitutes also the most important antinomy in the process of human history. Each asserts its own necessity and validity, but takes the rejection of the other as the prerequisite of its own existence. History develops through the efforts made by man for their equilibrium, but the antinomy itself can never be solved, for otherwise history would come to its end. If we surrender ourselves to a literal or fundamentalist interpretation of what Jesus Christ said: "One cannot serve both God and money" and try to suppress the latter, it would amount to considering humans divine and denying the historical antinomy. This, in turn, often paves the way for political totalitarianism and stifles the individual's creativeness in economic life. As a matter of fact, humans are slaves of two masters. This does not necessarily contradict the precept that one should not be a slave to two masters, for otherwise God would not have sent Jesus Christ to this world. To a large extent, "ought to be" is demanded only because of the lack of the "what is" that is expected in human behavior.

The relationship between one's ultimate concern and economic development incorporates at least three questions:

Question one: Can faith in God engender a healthy pursuit of material wealth?

Question two: Will desire for profit dilute one's ultimate concern?

Question three: Can God interfere and keep human greed in check?

The second question refers to a matter of fact while the other two are somewhat hypothetical in nature. I will concentrate on the first one and then shift to the third.

The first question is most interesting for three reasons: historical, academic and political. It brings to mind Max Weber's *Protestant Ethic and the Spirit of Capitalism*, a sociological approach to the historical and historic success of modern industrial capitalism. This has inspired some scholars to uncover a pro-position similar to Weber's from the Chinese economic miracle, so as to explain what has been happening in the Confucian cultural milieu. Even the masses, who know nothing about Max Weber and have little interest in abstract theoretical reflection, are confronted in one way or another with this hypothesis. It is raised as a question because the mass media, whose principal task is to prevent the loyalty to the ruling political ideology from being discredited, says that altruism (or the spirit of Lei Feng) does not contradict the profit-motivated market economy. So, when scholars try to locate a god which can promote capital accumulation, the official propaganda advocates that the two masters, God and Mammon, are not enemies but, perhaps, potential friends.

Tradition as Application and Acceptance

The absolute faith in God on the part of Calvinists made possible, in a very peculiar way the non-utilitarian pursuit of wealth, namely, making money not for the sake of money; as a result of which the traditional gap between God and Mammon was bridged. This connection was inferred by Max Weber from what already had happened; it is a postulate rather than a verified causal relation. Weber's analyses, including those concerning China, opened a new vista. We can take his hypothesis as a framework for a creative reflection upon Chinese concerns and problems, but we must bear in mind that, even if Weber's conclusion can be proved, it stands only as a unique case in history and has no universal significance. His critical judgment of Chinese religions is not contemporary. Chinese readers, whether they agree or disagree with Max Weber, find it difficult to resist the temptation of his argument. Is it not justifiable to say that the Chinese ultimate concern cultivated with-in the Confucian tradition, can act as a dynamic spiritual force advancing China's material modernization? A negative answer would almost equal cultural nihilism and is not acceptable to many Chinese people. It would be rational, however, to investigate the Chinese ultimate concern first before saying yes or no.

Historical documents and contemporary reflection both tell us that the mental combination of Heaven and man is the ultimate concern upon which is built the whole value system of traditional Chinese culture. This unity determines in the final analysis the interpretation and understanding of "what is true", "what is good" and "what is beautiful". In spite of its apparent similarity to other (e.g. Christian) metaphysical speculation on unity, one must ask about its immanent manifestation in everyday life, without which metaphysics would be empty talk. Let us focus first upon the term Heaven. It was understood often as cosmic nature or the whole universe; mixing with Zen Buddhism, it became the aesthetic basis of traditional Chinese art and poetry. Another objectification of the idea of Heaven points to the external social surroundings which lead logically to the Confucian social ideal of a classless world in which altruism prevails and equality triumphs (the ideal of *Da-tong*). The first interpretation of Heaven, we are told, stands in sharp contrast to

the traditional Christian doctrine that cosmic nature is to be used and conquered by man, and is therefore of great consequence in solving contemporary ecological problems.

What is more important, the combination of Heaven and man centers around man himself, rather than God, and presupposes what is called "inner transcendence". This brings man to the infinite within this world, thus excluding the utterly visionary and insubstantial Christian paradise in the other world. With such a perfect and beautiful ultimate concern, what else on earth does the Chinese mind need from the outside world to better its spiritual life? The Kingdom of all the kingdoms is here. Confronted with this theoretical deduction -- a little oversimplified through restatement, but still true in essence -- one cannot help asking why it is that the Chinese ultimate concern, unlike the Calvinistic doctrine which started to work almost as soon as it was established, has had to wait for 2000 years for a chance to find a similar opportunity. How explain away the fact that in China now money talks while God remains silent? What accounts for the aggravated abuse and violation of natural resources for quick success and immediate profit, a common sight in everyday Chinese economic life?

According to a questionable academic argument, the positive aspects of the Chinese tradition have almost been destroyed as a result of the iconoclastic attack upon Confucianism since the beginning of this century, especially the application of the radical theory of class and class struggle after 1949. This called upon the intellectual elite to devote its time and energy to the creative rebuilding or transformation of their cultural heritage. Some ambitious but naive young and middle-aged philosophers are working very hard in their studies and classrooms for an ideal blueprint which might regulate the future development of Chinese cultural and economic activities. Admirable as their efforts are, they fail to realize that they have been caught up in a serious hermeneutical problem.

What constitutes a real, living tradition that transcends the division of "past", "present" and "future" is not merely something one can find in books or historical documents. Its "application" - - to use one of Gadamer's key concepts -- depends not only upon how the content is interpreted and re-interpreted on the part of the intelligentsia, but upon how this is received, accepted and internalized by the whole nation. Books can be burned, temples pulled down and rituals banned, or new values come in, old customs can disappear and current interpretations can obscure and reduce to oblivion their predecessors, but the spirit of Confucianism survives living in the Chinese people, the great majority of whom might never have read Confucius. The relevant point is that the spirit or tradition is what really works in an essential sense upon the whole nation and exercises substantial influence upon its economic activities. In other words, tradition in its final analysis is a matter of anthropological empiricism, rather than of pure philosophical meditation. I will argue in the following that, owing to the lack of a religious tradition in the Western sense, the combination of Heaven and man as the ultimate concern cannot positively promote Chinese economic development. For the benefit of comparison and contrast, my argument will center around and develop two Christian phenomena pertinent to the re-examination of Confucianism: institutionalization and God as an invisible supervisory authority.

Christianity as an institutionalized doctrine invited vehement attack during the Age of Enlightenment and still remains a ready-made target for extreme liberals. For more than a thousand years the Church attempted to control the European mind by monopolizing the interpretation of the Bible; it institutionalized the Christian world into a hierarchy of often repressive power. Nevertheless, we can never overestimate the other side of the coin. It was the institutionalization itself that made the diffusion of biblical knowledge possible. The message that God delivers nature to man and encourages him to subjugate it was recorded in Latin. It was through the interpretation

by the Church as mediator that the notion merged into the European consciousness and sub-consciousness and became part of the tradition. The translation of Holy Scripture into various vernaculars helped to reinforce what was already a well-organized, systematic indoctrination. The shaping of the human consciousness as separate from nature and as master of nature is one of the great contributions by Christianity to the development of modern science. To meet the challenge of environmental crises, contemporary theology returns to the Bible for another kind of interpretation. As is mentioned above, something written or implied in books does not automatically become a constituent part of the established value standards and behavior patterns. It takes time to internalize new interpretations.

The situation with Confucianism is different. It used to be considered as the official ideology, but was never institutionalized. There was no Confucian Church or Party to organize nation-wide preaching. This is the weak, as well as the strong, point of Confucianism. What is more, the Confucian literati, who lacked a missionary consciousness and overstressed introspective self-cultivation, tended to look down upon the illiterate masses. As a result, there existed a big gap between Confucian metaphysics and Confucian immanence. Such Christian ideas as the existence of God, free will, an immortal soul, original sin and salvation are basic concerns common to theology and empirical life. But it is not so with Confucianism. Hence, when contemporary philosophers engage in the discussion about the "union of Heaven and man" as the Chinese ultimate concern, we must ask how the Chinese peasants, who make up over 80 percent of the Chinese population, understand it. So far I have not found any empirical investigation, nor do I think that our erudite metaphysicians would condescend to such trivial things.

Since reliable reports based on field work are not available, we have to trust our eyes: what has been happening around us provides testimony to the peasants' and even urbanites' understanding. This is embodied in a familiar Chinese saying whose literal word-to-word translation is: "When you are near a mountain, eat the mountain; when you are near a river, eat the river." For it to make sense, we must re-translate it as, "Rely on the mountains and rivers in your neighborhood for a living." But the second version is highly misleading. The metaphor "eat" used in the saying comes from another Confucian idea that "People take food as Heaven" -- also a word-for-word translation. It is not an ordinary figure of speech in the rhetorical sense; "eat" here means swallowing up one mountain after another and one river after another. This is another kind of "combination of Heaven and man" from which the question naturally follows: when the Chinese ultimate concern remains a patent locked in the philosopher's ivory tower, can it have any positive bearing upon the economic activities of a whole nation? A theory that attempts to explain the world is not necessarily one that can help to change the world.

The Family as the Chinese Ultimate Concern

What of the traditional social ideal of *Datong*? Can moral strength generate a powerful material force, as Marx put it, within the Chinese cultural context? To look into this equally dubious hypothesis which Chinese theorists tend to take for granted, I will shift from Heaven to man.

Anthropocentricity is the distinctive feature of Confucianism as compared with Christianity. It underlies the unity of Heaven and man. In his *Source Book in Chinese Philosophy*, Professor Wing-tsit Chan sums up the entire history of Chinese philosophy with one word: humanism. This idea of man as the center of the universe proves very influential in understanding the Chinese tradition. My question is: how to define the term human? Both theories and facts tell us that in the

context of Chinese tradition the meaningful sense of human is not the social human as opposed to the state as a political institution, nor the noumenal human or the human in one-self as opposed to specific, individual persons in the phenomenal world. Rather, it refers first and foremost to the natural person in a father-son relationship. The relationship between the state and individuals and still is regarded by most Chinese people as an extension of that father-son relationship. That is the deep structure upon which is built the whole value system of Confucianism and of metaphysics as its superstructure. What motivates Chinese hard work in either rural or urban districts is a natural desire or hope that one can live up to one's father's expectation and bring about a better future for one's children. Chinese emigrants in the past serving as coolies in America put up with racial discrimination and died in exile. Today, educated people go to the West and accept what is called by them "second class citizenship". If it were not for the family, all the economic or political or spiritual reasons would be irrelevant.

When the Chinese become very rich, the first consideration is not a donation to charity or public welfare, but investment in their home towns so as to prove that they have added honor to their ancestors. Even in resistance to foreign invasion, the battle cry put forward by the government is almost always the same: Safeguard your family and defend your country. It is not by chance that family is put before country. The Chinese people as a whole are not ready to devote their lives to an abstract noble ideal unless the family is broken and the family members cannot survive. For the family they can do anything, even at the cost of their lives. Some went so far as to betray their motherland and work as Chinese quislings. This is the primitive or original, yet ever dynamic, Confucianism internalized by the Chinese people; it is a far cry from the well-designed theories coming out of meditation in one's study. Family, as a Japanese sinologist pointed out, is the real Great Wall in China.

Mao Tse-dong was the first political leader in this century who not only had an insight into the Chinese tradition, but manifested great flexibility in taking advantage of that tradition. When he went to the peasants to start a communist revolution, he did not read to them the *Communist Manifesto* nor did he preach altruism or the ideal of *Datong*. Instead, he adapted to the peasants' basic requirement for the survival of their families by putting forward a simple slogan: "Down with the Local Tyrants and Redistribution of the Land!" Its economic and, to a large extent, social implication was anything but communistic, yet he succeeded. Of course, he changed his strategy after coming to power in 1949. With an identical insight and flexibility, Deng Xiao-ping gave the land back to the peasants in a very particular and effective way, which immediately rejuvenated the peasants' ideal in life and subsequently created powerful material force: economic reform was started. Without this strategic reorientation in the rural districts, which was based on a proper understanding of Chinese historical and cultural conditions, the open door policy which made possible ushering in a series of Western ideas would have been out of the question.

Problems with the Chinese revolution and reconstruction are in essence a matter of the peasantry. This is not only because they constitute the largest part of the population, but because their basic value standard is shared by the whole nation, including the intellectuals. Hard work for the next generation, specified as "for one's own children", is the real cultural dynamism that caused the enduring boom in Chinese economic life. If this could be regarded -- though I do not think so -- as "ultimate concern", it could never be proved by adopting a proposition similar to Weber's or deducing it from the metaphysical philosophy of the union of Heaven and man, or elaborating the social ideal of a classless world where altruism prevails. The natural man in the sense of father-son relationship maintains an everlasting vigor and vitality, but it also backfires. Its inevitable

aftereffects are unacceptable, both to capitalism and to socialism, let alone communism. The Chinese dilemma which accompanies its success is really unique.

Pursuit of the Infinite vs. Humanism as Defenses against Greed

Can altruism, accepted at least in theory by means of mass indoctrination, become a normative force which puts a limit on the search for profit? We now shift from the first to the third question: can God interfere and keep human greed in check?

According to Mencius, this seems impossible: "He who seeks to be rich will not be benevolent. He who wishes to be benevolent will not be rich." Contemporary moral philosophers who set themselves the task of promoting traditional merit do not think it impossible. Positively speaking, Mencius also said, they argue, that everyone can be a saint ("All men can be Yaos and Shuns"). Negatively, *The Great Learning* teaches that "the morally superior man must be watchful over himself when he is alone." Both are very much quoted; the latter was even adopted by Liu Shao-qi, the late Chairman of the PRC and the No-Two-Party leader next to Mao Tse-dong, as one of the most important propositions in his famous work *The Self-Cultivation of a Communist Party Member*. Putting both sides together, one might argue that one can be immune from corruption by oneself. This is also a very strong belief held by Chinese intellectuals, (though they may disagree among themselves on what is the ultimate good). This position, both traditional and contemporary, is blind to some theoretical problems.

First, the correct and accurate statement concerning ultimate concern in its moral sense is that everyone ought to be a saint, rather than that everyone can be a saint. It is just because of the fact that in real life all men or most men cannot be saints that we set the impossible as our ideal. Mencius changed "ought to" into "can", a logical fallacy due to his metaphysical desire. With "can" as a misplaced and misleading mediator, the vital difference between "to be a saint" and "ought to be a saint" is obscured. This is a problem shared by all Oriental and Occidental pure idealists and moralists. Its disastrous effects on economic, political and social life in history go without saying.

Secondly, how can one be watchful over oneself when one is alone; how can one guarantee one's self-control? The answer is to rely on oneself; one does not need an external authority to keep a watchful eye upon one. One is one's own moral master, and hence almost equal to the divine. But historical and empirical facts have proved again and again that alone one cannot deal successfully with Satan. Apart from law, one needs God absolutely or a "categorical imperative" which entails the divine being as the supervising authority. To be free from that guide is to be free to become a devil.

Time-honored Chinese wisdom from Mencius through Neo-Confucianism, from the Song and Ming Dynasties to their contemporary followers under the banner of "Confucianism at its third historical stage", has made a serious mistake: in its pursuit of the Infinite, it came back consciously or subconsciously to man the finite and takes the latter as the former. "Humanism" or "altruism" in this sense is no rival to human greed and cannot ensure healthy economic development.

It does not follow, however, that this fails to do justice to the noble ideas embodied in the historical and contemporary Chinese moral heroes. I tend to believe their stories; modern hermeneutics is not positivistic verification. I do not challenge the credibility of those stories, only because I believe that the ideals conveyed by them are indispensable for us, though we may never be able to reach them. When we read and interpret, we should not confuse two things in the same narrative: the myth and the truth in mystery.

Family and the Peasantry

In conclusion, let me sum up my argument in two connected respects: the Chinese dilemma concerning the ultimate concern and economic development, and the problem of the Chinese intellectual elite in regard to this dilemma.

Family in China is the motive force as well as a hindrance in the process of modernization. It is the secret of China's economic boom and the source of its potential problems. This mental Great Wall can neither be dismantled nor kept intact. Peasants, the most family-orientated class, took the lead in the historical economic reform and contributed a solid foundation for its further progress. In spite of the positive role they play, they are connected closely with all the aftereffects, especially those big problems for China: environmental violations, population explosion and educational degeneration. Tradition has given them neither a firm faith nor a definite, stable ultimate concern. When they are freed from political and ideological control, they are free to do anything. They can facilitate or jeopardize economic development. Even political ideas cherished by the intellectual elite -- the democratic system, social justice and human rights -- might turn out to be dangerous and even catastrophic if put into practice without a careful investigation into some possible responses from the peasantry whose understanding of those ideas differs greatly from that of the intellectuals.

Family and the peasantry are mainly an empirical matter in China. Sober-minded politicians always take them seriously if they want to succeed and remain in power. On the other hand, the intellectual elite as a whole -- with some possible exceptions among sociologists -- is preoccupied with its own concerns. Now, there exists a strong and obvious "messiah complex" among the elite stratum who consider themselves to be the saviors of Chinese culture and the representatives of the future China. The critical methods they borrow from the West are anything but self-reflexive. They complain about the decline of Chinese ultimate concern, but neglect the fact that this is their own ultimate concern, not that of the nation as a whole. They like to talk about the Western intellectual tradition, but omit the two pacesetters from their elaboration: Socrates and Jesus Christ. According to Socrates, the only true wisdom consists in knowing that you know nothing. He also regarded himself or the intellectuals as a little gadfly and the state or society as a noble, though sluggish, horse. Jesus, born in a manger, united with the rank and file and offered his vicarious sacrifice. Both are noble because they are humble. Unfortunately, the real significance of the two paradigmatic martyrdoms in the Western tradition falls outside the Chinese intellectuals' mental horizon. "Happy are those who are humble" cannot humble their pride. Their minds are inflated with beautiful, yet abstract, ideas originating from the Enlightenment, though they do not know how to enlighten the peasants and refuse to enlighten themselves on their own problems.

So, the Chinese dilemma involves both the masses, especially the peasants, and the intellectual elite. They are separated, rather than united. Is this not ironic given the ideal of the unity of Heaven and man? How to solve the dilemma? The question itself poses another dilemma. Here, I make bold to offer a tentative but radical suggestion: the first step for our arrogant and optimistic elite is to discern the way leading to Hell, before dreaming of the royal road to Heaven. A sense of one's own crises is much more helpful than a comfortable hallucination about oneself. We must always keep in mind the saying written above the temple at Delphi: "Know thyself."

From Economic Development to Human Development: Habermas's Rationalization of the Lifeworld

Manuel B. Dy, Jr.

Modernization is not only about expanding the economy. . . . Modernization properly means people sharing a belief and commitment in how society should be ordered: for what purposes, and for whose benefit. President Fidel F. Ramos (96th Independence Day Address)

The task of this paper is to clarify in philosophical terms the problem of economic development in Asian countries and to propose a solution so that economic development may lead to human development. The 1994 Philippine Human Development Report called attention to the fact that the growing economies of Malaysia and Thailand have led many people to think that development is purely economic. Economic progress can exact a high price in the quality of life of the people, such as pollution and stress. The rise of the gross national product does not necessarily translate into an equitable distribution of wealth, decreasing the gap between the rich and the poor. Human development is much more than economic development.

The framework I shall be using is Jürgen Habermas's reconstruction of Max Weber's studies on modernization, in particular his notion of the rationalization of the lifeworld which contains the component of culture. Philippine President Ramos in the speech quoted above also emphasized that "tradition and modernity do not necessarily contradict each other." To my mind, tradition and modernity can be harmonized in what Habermas calls the rationalization of the lifeworld.

The Problem

According to Habermas:

In order to define the form of capitalist economic activity, bourgeois private law, and bureaucratic authority. Rationalization means, first of all, the extension of the areas of society subject to the criteria of rational decision. Second, social labor is industrialized, with the result that instrumental action also penetrates into other areas of life (urbanization of the mode of life, technification of transport and communication). Both trends exemplify the type of purposive-rational action which refers to either the organization of means or the choice between alternatives.

The progressive "rationalization" of society is linked to the institutionalization of scientific and technical development. To the extent that techno-logy and science permeate social institutions and thus transform them, old legitimations are destroyed. The secularization and "disenchantment" of action orienting worldview, of cultural tradition as a whole, is the obverse of the growing "rationality" of social action.¹

In reconstructing Weber's rationalization of society, Habermas sees three levels of rationalization: 1) The magical-mythical worldview breaks down under the influence of world religions (Christianity, Judaism, Hinduism and Islam) in which the cosmos becomes a coherent meaningful whole, 2) Societal rationalization takes place where the economy and administration are organized according to the criteria of formal, purposive rationality, 3) Cultural "value spheres"

begin to have different inner logics resulting in conflicts such as between the ethic of brotherhood and the demands of capitalist economic life.² Habermas interprets Weber's cultural spheres into three: science and technology, corresponding to the natural world; morality and law, corresponding to the social world; and art and literature, corresponding to the subjective world.³ For Weber, the rationality that defines modernity is at bottom a purposive or means/ends rationality whose aim is the mastery of the world. It dissolves traditional superstitions, prejudices and errors, but does not replace traditional worldviews with anything that could fulfill the functions of giving meaning and unity to life. Weber challenged the Enlightenment's faith in reason, that progress in science is necessarily accompanied by progress in morality. Values for him cannot be rationally grounded but only chosen; the mastery over nature is value-neutral for it can be harnessed from any value perspective. The progress of Western societies is the ascendancy of *purpose* rationality, of technique and calculation, of organization and administration, in the final analysis, of the triumph of bureaucracy.⁴

When analyzing oriental societies, Weber did not believe modernization could ever come to oriental societies because of their deeply embedded religious worldviews, which Habermas interprets as having low rationalization potential. Weber could have been mistaken in his prediction regarding the modernization of Eastern societies, but from another point of view, from the reformulation by Habermas, he could have been right -- the rationalization of oriental societies is impossible without it also being pathological. The pathological here is understood as the loss of freedom and the loss of meaning.⁵

Habermas applies his theory of communicative action to expand Weber's notion of rationality:⁶

The theory of communication can contribute to explaining how it is that in the modern period an economy organized in the form of markets is functionally intermeshed with a state that has a monopoly of power, how it gains autonomy as a piece of norm-free sociality over against the lifeworld, and how it opposes its own imperatives based on system maintenance to the rational imperatives of the lifeworld.

Communicative action, in contrast to purposive-rational action of the economic system, is a principle of sociation, a medium for the reproduction of the lifeworld. The lifeworld is made up of three structural components and their corresponding reproduction processes based on different aspects of communicative action:

Components culture cultural reproduction understanding

Processes society social integration coordination

Action personality socialization sociation

Culture is "the store of knowledge from which those engaged in communicative action draw interpretations susceptible of consensus as they come to an understanding about something in the world," thus serving the transmission and renewal of cultural knowledge. Society is "the legitimate orders from which those engaged in communicative action gather a solidarity based on belonging to groups, as they enter into interpersonal relationships with one another." Personality is the "art

for acquired competencies that render a subject capable of speech and action, and hence able to participate in processes of mutual understanding in a given context and to maintain his own identity in the shifting context of interaction."⁷

Habermas sees a twofold problem affecting modern society, steering problems having to do with system maintenance and problems of mutual understanding of social relations. The main problem, however, is the conflict between system imperatives and lifeworld imperatives, when system imperatives with their purposive-rational or success-oriented action encroach upon and dominate the lifeworld through the non-linguistic media of money and power. When communicative action is subordinated to purposive-rational action, and social integration to system imperatives, the result is a colonization of the lifeworld; the costs of this kind of modernization are reification and cultural impoverishment.

The colonization of the lifeworld happens with the de-coupling of system imperatives from the lifeworld through the medium of money. Money "makes possible not only specifically the deworled forms of interaction, but the formation of a functionally specialized subsystem that articulates its relationship to the environment via money,"⁸ and thus assimilates also the administrative structure (power). Increasingly, the moral-practical elements of the lifeworld are driven out of the private and public spheres, and "everyday life is increasingly 'monetarized' and 'bureaucratized',"⁹ resulting in a norm-free sociality. A clash then exists between two principles of sociation: linguistic communication oriented to validity claims (norms and values) and the delinguistified steering media (money and power).¹⁰ If the latter wins, the result is reification.

Peter L. Berger and Thomas Luckmann¹¹ define reification as:

The apprehension of the products of human activity as if they were something else than human products -- such as facts of nature, results of cosmic laws, or manifestations of divine will. Reification implies that man is capable of forgetting his own authorship of the human world, and further that the dialectic between man, the producer, and his products is lost to consciousness. The reified world, is by definition, a dehumanized world.

Reification is the loss of freedom of lifeworld agents. We see this in oriental cities, in the rat-race for money and power. The market system has penetrated the domain of symbolic interactions such that interrelationships have become functional and fragmentary, their meaning lost in the maze of efficiency. Statements like "I have to do this because of my position" have become common. The original oriental cosmocentric view of nature has given way to a partial instrumentalistic view of the material universe. What used to be a natural organic outlook has become artificial and interventional. Nature is manipulated to serve material ends without respect for its internal rhythm, giving rise to problems of ecological imbalance and a growing disparity between urban and rural cultures. The oriental ideal of mastery of self is being subverted and made subservient to the mastery of things. We can see this in the proliferation (in learning institutions) of courses aimed at achieving skills and the large numbers of students enrolling in them, rather than in the liberal arts. Furthermore, students want instant, shortcut results. Youth go for what is newest in the market, imitating Western models in fashion, gadgets and music.

Gradually the communitarian humanism that once characterized the East is being replaced by Western humanism whose roots in capitalism is the ethic of individualism, possessiveness, and domination. What is being emphasized now is "my rights," rather than "my obligations." The family is no longer spared from this individualism of purposive rationalism and has become a functional imperative of the social system. Now, it is my family versus the others, with economic

security as the prime motive for competition; this has crept into the political sphere in the form of cronyism. Family size is dictated by the demands of the economy. In short, relationships, whether private or public, have become commodified.

Together with the loss of freedom in reification there is the loss of meaning in cultural impoverishment. For Weber, this is the inevitable result of the disenchantment process, leading to secularization and the splitting up of life into different cultural spheres, each divorced from the others. For Habermas, however, what leads to cultural impoverishment is not the differentiation, but the "elitist splitting off of expert cultures from the contexts of everyday practice."¹² Increasingly, specialized forms of argumentation become the guarded preserve of experts, losing contact with the majority of people. For example, science and technology have been removed from the world of the average citizen. The professionalization demanded by modernization has separated the development of cultures from the communicative structures of everyday life. What has happened in many oriental cities is the relegation of traditional art to the museum and the theatre on special occasions, resulting in the drying up of nature-like traditions. Thus a cleavage exists between the processes of mutual understanding and the cultural resources.¹³ Everyday the citizen is bombarded with information, but this knowledge is robbed of its synthesizing power; it becomes fragmented."¹⁴ With fragmentation and alienation, the person no longer has a sense of identity and meaning.¹⁵

Rationalization of the Lifeworld

The solution Habermas proposes to these pathologies is a rationalization of the lifeworld. The rationalization of the lifeworld is constituted by a structural differentiation of three dimensions: (1) Culture as "a condition allowing for continual revision of traditions which have become unhardened and reflexive." (2) Society as "a condition allowing for the dependency of legitimate orders on formal procedures on justification of norms." (3) Personality as "a condition allowing for the continually self-steered stabilization of a highly abstract ego-identity."¹⁶ The rationalization of the life-world, first of all, involves what Habermas calls "linguistification of the sacred," and since the moral authority of social norms has its root in the sacred (Emile Durkheim), rationalization of the life-world would mean rationalization of worldviews:¹⁷

Basic religious consensus, the structure of action oriented to understanding becomes more and more effective in cultural reproduction, social integration, and personality formation. The authority of tradition is increasingly open to discursive questioning; the range of applicability of norms expands while the latitude for reasoned justification increases.

Here "the 'pre-judgmental power' of the lifeworld progressively diminishes, in the sense that communicative actors increasingly owe their mutual understanding to their own interpretive accomplishments, to their own yes/no positions on criticizable validity claims."¹⁸ The rationalization of the lifeworld calls for a reinterpretation of traditional culture in the face of modernization. This reinterpretation must be coupled with an enlightened self-criticism, a critique of the values of one's culture in view of an open communication.

For Habermas, the rationalization of the lifeworld paves the way for the development of a modern lifeworld with an expanded notion of rationality beyond the purposive-rational. The direction is towards "the abstraction of universal lifeworld structures from the particular configurations of totalities of forms of life that arise only as plural."¹⁹ On the cultural level, this

means that the traditional nuclei separate off from the concrete contents of mythical worldviews. On the society level, this means that the general principles crystallize out of particular contexts. On the personality level, the cognitive structures dissociate from the contents of cultural knowledge. On all these levels, there is a separation of form and content, and the different validity claims (of science and technology, of morality and law, and of art and literature) are discussed and agreed upon in mutual understanding.

An example of the above is the reinterpretation of the Golden Rule or *shu* in the light of modern day realities. There is a point to Kant's objection to the Golden Rule as being hypothetical ("If you do not want this to be done to you, do not do it to others."): it is based on one's nature or situation. The benevolent government of Mencius is based too on the innate natural goodness of human nature, one that is endowed by Heaven. There is thus something sacred in the Golden Rule. The linguistification of the Golden Rule would mean reformulating it according to the logic of practical discourse of Habermas: the claim to what is right is justified in terms of the principles of universalizability.²⁰ What is right is what can be universalized. Here the focal point is not just the individual "I" but the person that every human being is.

The rationalization proper to the lifeworld is the "expansion of the areas in which action is coordinated by way of communicatively achieved agreement."²¹ Here, self-consciousness in culture becomes reflexive, there is self-determination in generalized values and norms, and self-realization in an advanced individuation of socialized subjects. This growth in reflexivity, in universalism, and in individuation "takes place under conditions of an evermore extensive and evermore finely woven net of linguistically generated intersubjectivity."²² There is both differentiation and condensation at once, a thickening of the web of inter-subjective threads that hold together culture, society, and the person. Continuity of tradition is secured through critique, and the potential for negation in the process of reaching agreement in language is necessary. To the degree that the lifeworld is rationalized, the expenditure of understanding borne by communicative agents increases. Of course, this also increases the risk of dissent (negation) in communication, but the consensus reached will generate a greater bonding effect.²³ "Socialization takes place in the same proportion as individuation, just as, inversely, individuals are constituted socially."²⁴

In the concrete, a communicatively rationalized lifeworld must develop institutions that would set limits to material re-production and subordinate it to decisions arrived at in an unconstrained communication. These institutions would protect the private and public spheres from the reifying dynamics of economic and administrative subsystems, provide feedback relations between a differentiated modern culture and an impoverished everyday practice, allowing practical questions of general interest to be submitted to public discussion and decided on the basis of discursively achieved agreement.²⁵ In the public sphere, communication must be free of domination, and equal consideration must be given to the interests of each individual in order to arrive at common consciousness of greater clarity. Technologies of communication such as book publishing, radio, press, television, provide such network of public sphere.²⁶ In self-organized public spheres, a prudent combination of power and intelligent self-restraint is needed to sensitize the self-steering mechanisms of the state and the economy.²⁷

All these partial public spheres, however, "point to a comprehensive public sphere in which society as a whole fashions a knowledge of itself."²⁸ This is where philosophy plays an important role, for in the words of Habermas:²⁹

from the resources of largely rationalized life-worlds. This holds true especially for culture, that is to say, for science's and philosophy's potential for interpretations of self and world, for the enlightenment potential of strictly universalistic legal and moral representations, and not last, for the radical experiential contents of aesthetic modernity.

Philosophy in the tradition of Socrates and Confucius is needed in the comprehensive public sphere for the rationalization of the lifeworld, for philosophy is reflexive, critical and dialogical. Only when the lifeworld is rationalized can economic development pave the way for human development.

Notes

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5. Stephen White, *op.cit.*, p. 103.
6. Jürgen Habermas, "The Normative Content of Modernity", *The Philosophical Discourse of Modernity* (Cambridge: MIT Press, 1989), p. 349.
7. *Ibid.*, p. 343.
8. *Ibid.*, p. 351.
9. Thomas McCarthy, *op.cit.*, p. xxxii.
10. Stephen White, *op.cit.*, p. 101.
11. Peter L. Berger and Thomas Luckmann, *The Social Construction of Reality* (New York: Anchor Books, 1967). Quoted by Jürgen Habermas, *op.cit.*, pp. 77-78.
12. Stephen White, *op.cit.*, p. 116.
13. Thomas McCarthy, *op.cit.*, p. xxxii.
14. Stephen White, *op.cit.*, p. 99.
15. See Appendix for table of different pathologies. Stephen White, *op.cit.*, p. 117.
16. Stephen White, *op.cit.*, p. 99.
17. Thomas McCarthy, *op.cit.*, pp. xxii-xxiii.
18. *Ibid.*, p. xxv.
19. Jürgen Habermas, "Normative Content", *op.cit.*, p. 344.
20. Thomas McCarthy, *The Critical Thoughts of Jürgen Habermas* (Cambridge: The MIT Press, 1978), p. 313.
21. *Ibid.*, p. xxxvii.
22. Jürgen Habermas, "Normative Content", p. 345-346.
23. *Ibid.*, p. 30.
24. *Ibid.*, p. 347.
25. Thomas McCarthy, p. xxxvii.
26. Jürgen Habermas, "Normative Content", p. 359.
27. *Ibid.*, p. 365.
28. *Ibid.*, p. 360.

29. *Ibid.*, p. 365.

Appendix

Crisis phenomena connected with disturbances in reproduction

Structural components

Disturbances in the domain of collective identity	Culture	Society	Person	Evaluative dimension
Cultural reproduction	1. Loss of meaning	4. Withdrawal	7. Crisis in orientation and education	Rationality of knowledge
Social integration	2. Insecurity	5. Anomie	8. Alienation	Solidarity of members
Socialization	3. Breakdown of tradition	6. Withdrawal of motivation	9. Psychopathologies	Accountability of the person

Economic Development in Western Society and Changes in the Philosophy of Science

Zhou Changzhong

The rise and development of philosophy has both an "internal history" and an "external history", both of which are related in a complex process. This paper will examine the "external history" of Western scientific philosophy and is restricted to the development of the social economy and to the influence of this change in scientific philosophy.

The Greek City-State Economy and Speculative Natural Philosophy

As a main feature, Greek civilization was generated on the basis and in the conditions of the economy of the city-state. The Greeks entered directly into the Iron Age without passing through the Bronze Age. They began to live not as a resident agricultural society, but from a city state economy. This featured a considerable development of navigation, commerce and industrial technologies, especially architecture and weaponry. This social economy provided special conditions for the Greek scientific philosophy.

Firstly, Greek scientific philosophy took technology, nature and commerce as the material and object of its reflection, rather than myths and religion. The Greeks explained the structure and change of the world with help of the technological analogies, whereas the Babylonians and Egyptians did so through analogy with legends regarding their genesis.

Secondly, as migrators and conquerors, the Greeks inherited cities in the conquered lands with their navigation and commerce. Such economic activities shaped the mental quality of the nation enabling it to accept new things from others. All this made the Greeks adept at accepting the available accomplishments of science and technology as objects for reflection.

Finally, the city-state economy, with navigation, trade and industry as its main elements, was more advanced than the resident agricultural economy. The economy created leisure needed for some people in the society to devote themselves purely to spiritual activities.

At the same time, this relatively advanced economy generated higher and more urgent demands for science and technology, and the Greek philosophers developed a related scientific philosophy. Thus, the economy of Greek city-state laid down the essential premises for the Greek scientific philosophy or speculative natural philosophy.

The Greek philosophers used their leisure to engage in purely intellectual activities. With a speculative capability apt for meta-physical thinking, they strove to master the basic issues. In contact with the scattered knowledge in science and technology, they devoted themselves to inquiry after the general scientific principles of nature and formulated philosophical theories based on these principles. This generated Greek speculative natural philosophy of which the main achievements were the Miletian School, Plato's ontology and Aristotle's metaphysics and logic.

In accord with above-mentioned socio-economical conditions, an important feature of this scientific philosophy consisted in taking "objective knowledge": science, technology and nature as the object of reflection and knowledge, and seeking its principles. Its focus therefore was not human nature and human life. Of course, this natural philosophy concerned also human beings, but it reduced human nature to reason as the acquisition of knowledge.

Modern Large-Scale Industrial Economy and Prescientific Philosophy

Beginning from the 15th century, Western society gradually entered into the age of large-scale industrial production, which age continued until the 19th century.

In the 15th century, great development took place in Western society, with industry attaining unprecedented progress due to the use of advanced production techniques. This provided an essential basis for the rise of modern science in the 16th and 17th century through a focus on facts and experiment instruments. The Industrial Revolution in the 18th century led to a great leap in the large-scale industrial economy. This gave a tremendous impetus to science, thus making the 19th century "the century of science," culminating in classical science. Science, in turn, gave great impetus to technology and hence to production and the economy. But, in the cycle of "production-technology-science-production", production occupied the position of basis, premise, motive force and condition.

In comparison with the domination of natural philosophy by the economy of the Greek city-state economy, the large-scale industrial economy influenced philosophy not directly, but via the rise of modern science. When there had been only scattered natural knowledge, natural philosophy took technology and nature as the main objects of its reflection. But once science had been developed, scientific philosophy naturally centered its attention thereupon. The great change in different aspects of society caused by large-scale industrial economy manifested the huge human power to remold and employ nature, and brought unprecedented welfare, all of which were an outcome of the rise and development of modern science.

Natural philosophy was to a great extent the activity of "philosophy for philosophy" and was carried out in leisure. What impressed the modern philosopher was primarily the tremendous material force and utility generated by the industrial economy. The expression by Francis Bacon that "knowledge is power" was a precise expression of this philosophical insight, emphasizing that knowledge became power in human action. It is worth noting here that Bacon proposed action, for the presentation of the problem after the manner of principle and action formed two poles of cultural spirit of Western science.

Closely related with this, modern scientific philosophy emphasized utility and experience. Bacon's philosophy was distinguished from previous philosophical doctrines by its concern for utility. The practice of modern industrial production obviously gave prominence to the position and role of experience as the source and content of knowledge. Bacon described his philosophical mission as "discovering a new continent in the intellectual world", one task of which consisted in discovering experience as the method, basis and standard. In contrast, Greek natural philosophy had taken "objective knowledge" as its focus for reflection.

Modern large-scale industrial economy rapidly enhanced the social status of science so that it became an important social institution, and a social "scientistic movement" took place. The movement attributed to science comprehensive social significance, and gave the greatest significance to the Enlightenment philosophy of man and society. This is to say that science was raised to a mode and norm for human life and scientific philosophy began to turn its attention to humans. In fact, the modern philosophers, Descartes, Locke, Leibnitz, Hume and Kant, devoted themselves to inquiring into human nature, the mind and human understanding.

To say that modern scientific philosophy was prescientific is relative to the proper scientific philosophy in the 20th century. It still was not entirely independent from philosophy in general. As the outcome of large-scale industrial economy and reflection on classical science, the

knowledge of the human by this prescientific philosophy was still restricted to intellectual and logical understanding, in short, to a natural scientific understanding of the human.

Contemporary Mega-economy and Philosophy of Science

In the 20th century, Western society entered an age of "mega-economy". By this term is meant that the entire social economy formed a dynamic megasystem with a process of mega-production. This megasystem consists of market, production, science and technology, exchange, consumption and finance, with a high degree of information.

This entire "mega-economy" was supported by contemporary science; its genesis, operation and development were impossible without the development of contemporary science and continuous new discovery, invention and creation. As the condition and basis of science, the "mega-economy" advanced the influence of science by promoting its rapid and profound creation and revolution, even a so-called "explosion of knowledge". What enabled the "mega-economy" to influence the philosophy of science was not classical science generated and developed in the modern period, but contemporary science as the outcome of the scientific revolution at the turn of the century. The scientific revolution, with quantum mechanics, relativity and non-Euclidean geometry as its main marks, led to swift development in science. In contemporary science specific knowledge developed continuously, while integration took place on a large scale. If the prescientific philosophy was related to "normal science", then "philosophy of science" is related to the "scientific revolution" and "scientific discovery".

Contemporary science governed the "mega-economy" of the entire society in a manner without parallel for classical science. As a result reflection on science by philosophy became relatively independent from philosophy. This proper philosophy of science formulated and used its own categories. "Scientific revolution" and "scientific discovery" manifested the human factor, especially its creative abilities, to a much greater extent than did "normal science". Therefore, the philosophy of science paid great attention to the human, and its creative ability. The philosophy of science as a "Second World" (the human mind) and science as "Third World" (the creation of the human mind) consists in uncovering human "life", i.e., its creative ability, and in making the human more capable of self-transcendence.

Since its rise in the 1920s, the philosophy of science underwent three stages in uncovering human creative abilities, corresponding to the increasing demand of the "mega-economy" for scientific creation and discovery.

In the first stage logical positivism proposed a so-called "specialized scientific philosophy". It took philosophy as being about science, and intended to make philosophy itself a science. Thus, the human creative ability uncovered by logical positivism was restricted only to logical skills corresponding to static and established scientific knowledge. But, in comparison with the "prescientific philosophy", it attained a higher precision and formalization, that is to say, it showed that philosophy and science both consisted in doing a linguistic analysis of the logical powers of the mind.

In the second stage, critical rationalism focused on the "scientific revolution", "scientific discovery", and the "evolution of scientific knowledge". It showed that the psychological mechanism of scientific discovery is not logic and intuition. Historicism explored the "scientific revolution" and "scientific discovery" by examining the history of science itself, including its internal and external history. In this way, it extended the inquiry of the human mind from the individual to society; it also enlarged the scope of the psychological elements to include belief,

values and the aesthetic sense, on the one hand; while on the other hand, it showed scientific discovery to be social action.

Post-Industrial Society and Post-Scientific Philosophy

Around the early 1980s, Western thinkers proposed that Western society was undergoing the shock of a "Third Wave", which megatrend was its entry into "post-industrial society". This society features the dependence on knowledge, information, specialization and diversification, as well as a rise of services. Knowledge becomes the motive force for social progress and the basis for making decisions; intellectuals become a leading force in all parts of society. Industrial society turns into information society, and decisions are made by the use of information systems. Standardization, professionalization, synchronization and concentration give place to specialization and diversification.

As the Western world begins to enter into the post-industrial society, science has evolved into so-called "megascience". The scale, advance and financing of science reaches its highest level: the interconnection between science and society is very close; science, technology and production are integrated; within science, different disciplines combine with each other and interpenetrate; natural and social sciences interact with each other; and scientific undertakings closely rely on systematic planning and management.

Especially, as megascience emerges, science appears as a cultural phenomenon, the so-called "megascientific culture". This is highly coordinated with culture, economy and society. Science is more than knowledge, and profoundly affects the idea of value, social psychology, the mode of action and other cultural activities.

It is in this context that "post-scientific philosophy" appears. It differs from the philosophy of science in its starting point for it takes science as a cultural phenomenon to be reflected upon. At the same time, it situates Western science, especially the "megascientific culture," in the broad context of science, culture and the history of all humankind.

In post-industrial society megascience plays a leading role. As science appears as a cultural phenomenon the negative effects of a megascientific culture" become more evident, especially the impact upon wisdom, freedom, ethics and environment. Therefore, post-scientific philosophy turns to inquiring into human life via science, and pays special care to the negative effects. Moreover, "post-scientific philosophy" forms part of the trends of "post-modern" thought, "post-modern philosophy" and "post-philosophical culture". For that matter, in addition to the above claims, it proposes to cancel philosophy and give a naturalistic account of science.

Post-scientific philosophy opposes rationalism and bids "farewell to reason". It stresses that rationalism eliminates the diversity inherent in things, dogmatically imposing uniformity. It shows that there is no single science, but only "the sciences".

"Post-scientific philosophy" opposes the intellectualism of Western science which puts knowledge in the form of principle in the first place. This leads humans astray through its procedure of inquiring into problems via concepts. It proposes to emancipate humans from this intellectualism, and for this purpose emphasizes science as practice, the importance of the arts and various social sciences, and concern for the mode of human life.

"Post-scientific philosophy" opposes "scientific chauvinism". It shows that Western science is no more than a particular historical tradition and never the best tradition. In a democratic and free society, it is necessary to allow all traditions to coexist. Thus it gives full play to humanism. The various negative effects mentioned above tell us that it is essential to advocate humanism or

neo-humanism, and that it is possible to build a free society where humans live in an ideal manner and develop their creative ability to the utmost. This is possible only if the arts, humanities, education, society and politics all are given equal concern.

Part III

Ethics and Business

Corporate Responsibilities for Human Development in China

Georges Enderle

Introduction

(1) In the province of Liaoning the state-owned enterprise *Handy Hands* produces a wide range of tools for the transportation industry. It employs 10,000 workers and faces increasing competition by private businesses partly owned by foreign investors. Although it stopped receiving subsidies from the government, it still has numerous social welfare obligations (for housing, medical care, retirement, etc.). What corporate responsibilities does *Handy Hands* have in terms of improving productivity, preserving jobs, and providing social welfare benefits?

(2) The rural township enterprise, *Three Flowers*, in Sichuan is a local collective with 60 workers that produces furniture for households and offices. To date, it has been operating quite successfully under the direction of the local government; however, there are increasing demands for *Three Flowers* to treat women equally with men in terms of wages and career opportunities, and for it to introduce new production technologies. Yet, the local government has become more conservative over the years and resists these new ideas. What corporate responsibilities are at stake?

(3) The terms of a joint venture are being negotiated between a multinational chemical firm based in the USA and the *New China Dye Company* in the Tianjin Special Economic Zone. The US firm requires high environmental standards and technologically sophisticated safety features, while the *New China Dye Company* criticizes such requirements as an "imperialistic imposition" of foreign standards. What does corporate responsibility require to solve this conflict?

(4) In the province of Fujian, *Modern Tech*, a small-scale enterprise with 260 unskilled workers and financial backing from Taiwanese interests, manufactures low tech electronics. Due to the neglect of safety standards, several accidents occurred in the factory. Wage disputes are frequent and a strike is imminent. What does it mean to assure corporate responsibility?

(5) The Hong Kong-based *Trade Text*, a sourcing firm with annual sales of HK\$ 480 million (approximately USA \$60 million), buys textiles (shirts, underwear, etc.) from business partners in Southern China and sells them to department stores in Japan and Europe. Insiders know that parts of those textiles are produced by child labor. What does corporate responsibility mean for *Trade Text*, the Chinese business partners and the overseas department stores?

These five examples illustrate the enormous variety of decision making situations which enterprises of different types are facing in China during the 1990s. Moreover, when we account for the broader context of a Chinese economy in gradual transition, the challenges for responsible corporate conduct are even more complex and demanding. It is, therefore, surprising that these questions have so far drawn little attention in Western media and in business ethics studies. While publications about China in general and its dramatic economic changes in particular proliferate (see for instance, the articles and their long lists of pertinent references in *The Journal of Economic Perspectives*, Spring, 1994; *The American Economic Review, Papers and Proceedings*, May, 1994); and *Foreign Affairs* (May-June, 1994), considerations and studies focusing on enterprises in China and their responsibilities seem to be quite rare (see De George 1993, 155-157; Ralston et

al. 1993; Chu 1994; Huang 1994; Ip 1994). Surely, this situation is due partially to the fact that the increasing importance of relatively independent enterprises in China is a rather recent phenomenon, information about which apparently is not easy to collect. (This latter point is certainly true for people outside China, but likely applies to many people in China as well.) Another important reason for this still poorly researched territory may be that traditional studies in economic development essentially focus on broad policy issues including the role of government and, more recently, on the well-being of households and individuals (for instance, Dasgupta 1993). Yet, very often, these same studies tend to ignore the indispensable roles business enterprises actually play and should play in the development process.

On the contrary, business enterprises with their structures, conduct and performance have an importance which hardly can be overestimated. They can either be powerful engines for, or bulwarks against, human development. They matter greatly as crucial links (or "interfaces") between macro-economic conditions, on the one hand, and the impact on individuals, on the other hand. More-over, to the extent of their economic power as single firms and in conjunction with others, they are able quite substantially to influence and shape macro-economic conditions.

The crucial issues in assessing responsibility in general and corporate responsibility in particular is the extent of the autonomy and freedom of the actors. If the enterprise, i.e., the actor, has little autonomy (because its decision-making is, for instance, closely determined by government), it also has little responsibility. If, however, corporate autonomy and freedom is considerably larger, it involves a correspondingly extended responsibility. Before the economic reform, most enterprises in China were government agencies and not financially independent. Then barriers to enterprise initiatives were removed and "responsibility contracts" introduced. A "dual-price" system was introduced and government controls were reduced (see Rawski, 1994, 272-273). The autonomy (of state-owned enterprises) expanded greatly and managerial autonomy will continue to expand in the future (Jefferson and Rawski 1994, 51-52 and 65). Although it would be hard to identify the precise extent of autonomy and freedom had in specific enterprises, the general tendency towards more autonomy and freedom over the last fifteen years is undeniable.

Given the increasing importance of enterprises with expanding autonomy and freedom, the question about corporate responsibility arises. The next section will discuss, though rather briefly, some underlying assumptions: the conceptual assumptions about corporate ethics and human development, and the contextual assumptions regarding different types of enterprises in China and its economy in gradual transition. Then it will attempt to identify a list of corporate responsibilities and give reasons for these normative perspectives. The last section will address the limits of corporate responsibilities in order to lend the proper weight to that for which enterprises can and cannot be held responsible.

Conceptual and Contextual Assumptions

Corporate Ethics

Basically, corporate ethics relates to the economic organization as such (e.g., enterprise, firm, company, corporations): its goals, which may be stated explicitly and/or aimed at implicitly; its strategies to achieve these goals; its structure and culture; and its conduct and performance, including its impact on stake holders inside and outside the organization. Corporate ethics -- frequently called "business ethics" in the narrow sense -- should not be confused with the ethics related to individual managers (sometimes referred to as "managerial ethical leadership") or to

economic systems ("systemic ethics"). Business ethics in the broad sense comprehends decision making and acting at the individual (micro-), the organizational (meso-), and the systemic (macro-) levels of business and economic life (see Enderle 1993, Goodpaster 1992). These three levels are qualitatively distinct and closely inter-connected, each being characterized by both a certain space (or extent) of freedom of the single economic actor and certain conditions limiting its space, which are fixed at different levels. Within this comprehensive conception of business ethics, corporate ethics concentrates on the meso-level, but also takes into account the more directly relevant features of the micro- and macro-levels.

Corporate ethics involves three characteristics:

(1) The enterprise has a certain autonomy that allows it to choose among various options in terms of objectives, strategies, cultures, etc. In other words, legal regulations, economic market forces, strong social customs, and other conditions do not fully determine the decisions and actions of the enterprise.

(2) To the extent of its autonomy and freedom, the enterprise is a "moral actor", which is an application of the old saying "Ought implies can", and carries "moral (or ethical) responsibility" (as I use the term "responsibility" in "corporate responsibility"). As such, the enterprise faces three kinds of ethical challenges: minimal ethical requirements, positive obligations beyond the minimum, and aspirations for ethical ideals, all three of which are included in the term "integrity" (see DeGeorge 1993, especially 184-196).

(3) Corporate ethics fundamentally concerns the entire organization with all its aspects, not solely the decisions of managers (who certainly play a prominent role). This far-reaching approach goes beyond the "Strategies of Compliance", i.e., ethics programs to prevent, detect and punish legal violations inside the organization. It advances "Strategies of Integrity" which take the conception of ethics as a driving force of the enterprise and strive to define its guiding values, aspirations, and patterns of thought and conduct, while including legal concerns as well (see Paine 1994).

Human Development

As stated above, enterprises can be powerful engines for, or barriers retarding human development. Hence, the meaning of "human development" is crucial. Decades of discussions about economic and human development have brought forth an enormous variety of approaches, concepts and theories. Despite ongoing controversies (see, e.g., Streeten 1994, Srinivasan 1994), I share, to some extent, the optimism of Aturupane, *et al.* (1994) about an emerging consensus that relates mainly different, but complementary, perspectives and indicators. The "humanitarian" perspective primarily considers human beings as ends -- "to enlarge people's choices" as stated by the Human Development Report (UNDO, 1990, 10) -- while the "human-resource developers" stress the means or productivity aspect, with a strong emphasis upon income and production (an extreme form of the latter are the human capitalists who adopt the "human-capital approach"). Another controversial point concerns the relevance of different indicators of development, namely, income vs. social indicators. Since, in my view, Amartya Sen's "capability approach", which deeply influenced the Human Development Reports by the United Nations Development Programme, is very fundamental in its focus, highly sophisticated, and of great practical relevance. I use it to clarify the concept of "human development" in this paper.

Sen's approach is guided by the idea that each human being should have the freedom to achieve well-being, an idea Sen systematically discusses in his monograph *Inequality Reexamined* (1992). Thus, the first question involves assessing well-being, which is answered by the concept of functioning; the second question focuses on the freedom to pursue well-being, which in turn is conceptualized by capabilities.

Generally speaking, well-being can be assessed in numerous ways:

- in terms of commodity bundles: Person X monthly has 2 kg of rice, 300 g of chicken, shares a room lacking electricity with three family members, has a low-skill job, no basic health care, etc.;
- in terms of commodity characteristics: Person A monthly has 1800 calories, 4 m² living space, an insecure and unhealthy job yielding a wage, etc.;
- in terms of real income: Person A has a monthly income Y_h "with purchasing power y_r ;"
- in terms of utilities: Person A draws n utilities, i.e., mental benefits, from Y_r ; in terms of resources: Person B has real income Y_r , a social security plan, free access to higher education, etc.;
- in John Rawls's terms of "primary goods": each person in a liberal society should have "primary goods" such as rights, liberties and opportunities, income and wealth, and the social bases of self-respect; or finally;
- in terms of functionings: "The relevant functionings can vary from such elementary things as being adequately nourished, being in good health, avoiding escapable morbidity and premature mortality, etc., to more complex achievements such as being happy, having self-respect, taking part in the life of the community, and so on" (Sen 1992, 39). Living is seen as a set of interrelated functioning, consisting of beings and doings. So a person's achievement in this respect is understood as the vector of his or her functionings. Functionings are constitutive of a person's being, and any evaluation of "well-being" has to take the form of an assessment of these constituent elements.

Closely related is the notion of the capability to function, which represents the various combinations of functioning that the person can achieve. "Capability is, thus, a set of vectors of functionings, reflecting the person's freedom to lead one type of life or another" (Sen 1992, 40).

The crucial difference in Sen's approach as compared to the other's previously mentioned is the radical focus on the being and actions each person actually achieves as well as his or her freedom to pursue these functionings. The capability approach goes all the way from external "commodity bundles" to the real freedoms of each person. Thereby two characteristics are paramount. Firstly, there are various types of "conversion" between commodity bundles and commodity characteristics, etc., which, secondly, are deeply dependent on the enormous diversity of human beings. The types of conversion from income, resources and "primary goods" into functioning are particularly important since they determine what a person can actually do and be. For instance, the same amount of income may suffice for an elderly person, but not for a pregnant woman; or, a one-bedroom apartment on the tenth floor may be suitable for a healthy single person, but not for a physically challenged person. In other words, the same means to freedom can entail different extents of freedom according to different rates of conversion. These rates depend on the person's internal characteristics, such as age, gender, general abilities, particular talents, proneness to illness, etc., as well as on such external circumstances as ownership of assets, social backgrounds, environmental predicaments, and so on.

In conclusion, when we want to assess individual well-being and freedom and, in that assessment, take seriously human diversity, we should focus mainly on functioning and capabilities as the informational basis of our assessment -- which does not necessarily exclude income, resources, etc., when used for specific purposes. Moreover, functioning and capabilities also provide the basis for judging social arrangements, welfare economics, poverty and, certainly, corporate conduct. While the choice of the proper informational basis for ethical evaluation is of fundamental significance with far-reaching consequences, it also leaves open many questions: What list of capabilities and functioning is relevant for ethical evaluation? What basic capabilities are constitutive of a decent livelihood and provide the basis for fighting poverty? How can the capability approach be linked to such ethical theories as human rights and Confucianism? The capability approach states fairly clear ultimate goals, particularly with regard to basic capabilities. This allows great flexibility in choosing appropriate strategies to achieve these goals. At the same time, it might be hard to determine what specific strategies should be ethically required as well as the responsibilities that particular actors, such as a certain company, a local government, or a non-governmental organization, should assume. Some of these questions will be taken up in section three.

Different Types of Enterprises in China

The examples in the introductory section represent major types of industrial enterprises which include, by Chinese convention, mining and utilities as well as manufacturing. "Industry is the largest sector of China's economy, accounting for 50 percent of total output and 80 percent of exports, and employing 102 million workers in 1992. . . . Its robust growth, amounting to well above 10 percent annually during the 1940s, . . . undergirds China's standing as the world's fastest-growing economy" (Jefferson and Rawski 1994, 47).

According to the *China Statistics Yearbook* the following types of industrial enterprises can be distinguished: State-owned enterprises (SOEs); collective enterprises such as urban collectives (UCs) and rural enterprises in townships and villages (TVEs); privately-owned firms employing less than eight workers and private firms employing eight or more workers, joint-ventures (JVs), foreign-owned firms (FOFs), and other ownership forms (see Jefferson and Rawski 1994). Table 1 gives an overview of their performance from 1980 to 1992; Table 2 describes the scale, capital intensity, and labor productivity of these firms operating under different ownership regimes in 1987. Three facts deserve particular notice. (1) The share of nominal output of SOEs dropped substantially from more than three quarters of national output in 1980 to less than half of it in 1992; yet, SOEs still have by far the largest share. (2) The share of the TVEs strongly increased so that public enterprises (SOEs, UCs, and TVEs) still made up 86.4 percent of the national output in 1992. (3) Privately-owned firms, starting from a share of 0.5 percent in 1980, rose to 14 percent in 1992, and those private firms with eight or more workers showed by far the highest labor productivity in 1987.

As discussed above, from the point of view of corporate ethics, the actual extent of the autonomy of the enterprise is of fundamental importance, and this depends largely on the specific type of the organization. Differences of autonomy are determined not only by the ownership regime, but also by such legal obligations as social welfare responsibilities and formal and informal requirements by the local community. (However, these *prima facie* assumptions need further ethical examination as to whether and how far these demands are ethically justifiable.)

With regard to SOEs, we can observe "a distinct, albeit gradual and uncoordinated 'corporatization'" (Jefferson and Rawski 1994, 58). The characteristics of labor management, prior to reforms, are changing. The system of permanent employment with very low rates of labor mobility is evolving towards a system of contract labor, and the community-like enterprises which offer a full range of benefits tend to have less social obligations (Chum 1994). Yet SOEs still have to take on many costs, including the provisions of housing and medicaid care, as well as the care, schooling and employment of the employees' children (Chum 1994). Employees of SOEs, almost all in cities, benefit (like those of the government) from comprehensive "labor insurance", which provides disability and old-age pensions, maternity and sickness benefits, medical care, and (since 1986) unemployment benefits. UCs belong to the same urban social-security system, but hold a lower status than SOEs and therefore have a parallel, but less generous, labor insurance (see Hussain 1994, 277).

As to the TVEs, contrary to the misleading term "collective", they are not owned by local communities as a whole and are institutions through which community members could express their individual preferences (Naughton 1994a, 267). Township leaders are appointed by county officials, most often from outside the township in question. In their "managerial contract", explicit success indicators are established, covering economic and social objectives: TVE output and sales value, profit, and taxes, as well as family planning, maintenance of public order, and education (Naughton 1994a, 268). According to several researchers, the demographic stability of China's rural communities promotes the emergence of "invisible institutions" which provide a "moral framework for rights" or a "cooperative culture" that serve to reduce problems of shirking and monitoring found in most public enterprises (Jefferson and Rawski 1994, 61). With respect to social security provisions, the situation in rural areas, compared to cities, is sparse and highly variable (Hussain 1994, 278). While labor insurance does not extend to rural wage employees, some county and township governments organize social welfare plans. But "these (plans) lack a common minimum provision and vary widely, depending crucially on local public resources and the initiative of the leadership" (278).

For enterprises with foreign investment, many government regulations have been promulgated to direct labor management (see, Chu 1994). They include the system of contract labor, the establishment of social security systems, and a higher degree of labor management autonomy (than in SOEs). Equity joint ventures must implement government laws and regulations on working conditions, safety measures and environmental protection.

This brief description may give a sense of the significant differences among various kinds of Chinese enterprises, which of course need further and more substantial analysis. Moreover, it is very likely that "corporate China" is about to undergo further important changes in the near future, a situation deeply influenced by macroeconomic and political conditions.

An Economy in Gradual Transition

In contrast to the "economies in transition" of central and eastern European countries and of the new republics in the former Soviet Union, the Chinese model of transition is characterized basically by its "gradualism" (Jefferson and Rawski 1994, Naughton 1994, Perkins 1994, Rawski 1994, Yusuf 1994).

Among numerous other aspects, "gradualism" is particularly true with regard to privatization. Although state-owned enterprises have lost a substantial share of China's nominal output over the last decade, this change has not been caused by a dramatic privatization campaign like in eastern

Germany or the Czech Republic. Rather, the loss has been compensated by a strong increase of township and village enterprises so that public enterprises still widely predominate in modern China (see section 2.3).

To find the appropriate pace of transition depends on numerous factors which are controllable only to a certain extent. To date, China has shown a remarkably successful record in many economic respects. Yet, in the near future, it will have to face tremendous challenges whose outcome seems not predictable. I would mention only a few: (1) the question as to whether Chinese macroeconomic policy is "getting the fundamentals right", the "fundamentals" being defined by the World Bank (1993) as those policies that encourage macroeconomic stability, high investment in human capital, stable and secure financial systems, limited price distortions, and openness to foreign technology (see, e.g., Hornik 1994); (2) the question concerning the impact of economic decentralization on the political structure of the country (see, e.g., Sepal 1994); (3) the significance of the flows of capital out of China (see, e.g., *The Asian Wallstreet Journal Weekly*, March 21, 1994); (4) the socio-cultural challenge of a "new vision" that integrates traditional and modern values; (5) the environmental challenge of "sustainable growth", defined by the World Commission on Environment and Development (1987) as "meeting the needs of the present without compromising the ability of future generations to meet their own needs".

It goes without saying that these challenges are of tremendous importance for the country as a whole, but also for assessing the responsibilities of enterprises.

Identifying Corporate Responsibilities

A Scheme for Mapping Corporate Responsibilities

In order to map corporate responsibilities more concretely, I would like to suggest the following scheme (see Figure 1), which is influenced by Ciba's mission statement. Corporate responsibility basically includes the economic, the social and the environmental dimension. As for the economic and environmental dimensions, their meaning is fairly obvious: economic and financial structure and performance of the enterprise in terms of output, productivity, competitiveness, human resources, financial assets, etc.; and its environmental impact in terms of both consuming natural re-sources (as "inputs" to the firm's production process) and burdening the environment ("outputs"). The social dimension is more difficult to define; essentially it includes what is not covered by the other two dimensions, in particular legal responsibilities and responsibilities based on other social norms (which are required, e.g., due to the concept of the "extended family"). These three dimensions are equally important (hence their circular arrangement in the figure) and interrelated, but they do not represent three separate areas of activities. In addition, the three concentric circles represent the three kinds of ethical challenges mentioned above: minimal ethical requirements, positive obligations, and aspirations for ethical ideals. All three challenges concern and permeate the economic, social, and environmental dimensions.

It is obvious that this mapping of corporate responsibilities contrasts with the common conception of the business enterprise in two crucial respects. Instead of the hierarchical order of economic responsibilities over social (except legal) and environmental ones, there is a circular interrelationship of these three dimensions. Furthermore, all three dimensions are not value free, but involve ethical responsibilities of various degrees.

To illustrate this mapping by the fictional examples in the introduction above, we may classify the various issues as follows: Economic responsibilities include increasing productivity and competitiveness as well as preserving and creating jobs in case 1; introducing new technologies (improving productivity) and treating men and women equally (according to their productivities) in case 2; productivity-related wages in cases 4 and 5; social responsibilities are involved in gender treatment (case 2) and child labor (case 5), in safety standards (cases 3 and 4), and in social welfare schemes, be they legally required or socially demanded (especially cases 1 and 2); and finally, environmental responsibilities are explicitly mentioned in case 3, but likely are relevant in other cases as well. Clearly, this illustration shows that the three dimensions are closely interconnected.

Capabilities and Functioning as the Evaluative Space for Corporate Conduct

The valuation of human development in terms of capabilities and functioning, generally discussed above, is now to be applied to corporate conduct. However, as this is a widely undeveloped territory, I would like only to delineate some perspectives with the help of a few examples.

The function of work as a constitutive of a person's being can take a variety of forms and consists of a number of basic elements such as reasonable and certain working hours and conditions, fair remuneration and meaningful activity. While it might be impossible to determine the varieties of this function, its basic elements are less difficult to identify; the function can be clearly distinguished from the capability to work, namely the freedom to choose among different functions of working. Consequently, to do a certain job is not identical with choosing to do the job, which is why any kind of "forced" labor is deficient in terms of capabilities. Moreover, to assure the capabilities of people to work, associations at work might be necessary. It also follows that labor mobility means choosing among functioning to work which includes, at least, those basic elements alluded to above. Lay-offs with no such alternative options cut the capability of the laid-off person to work. This failure, however, is due not only to the decision by the enterprise, but also to the failures of other businesses and the government to create decent jobs in sufficient numbers. One top priority of human development is to assure the capabilities of people to work.

A second example is the issue of treating men and women equally. If this question is addressed only in the "space" of income or career paths (which in many situations already would be a significant progress), equality in the "space" of functioning and capabilities is not yet achieved because men and women benefit from it differently (technically speaking, they have different rates of conversion). Undoubtedly, this view includes a series of implications in terms of wages and promotion, as well as social welfare benefits.

In cases three and four, one of the problems is about safety standards for which two characteristics of the capability approach are particularly relevant. First, safety features, that is the means to assure safety, should not be confused with safety itself, that is the capability and functioning of the workers to be safe at the work place. High-tech features may be an effective protection in the United States, but less effective in China when their handling requires appropriate training which Chinese workers do not have. (The rates of conversion differ in both countries.) On the other hand, the focus on functioning can remove some controversy about "clashing value systems" and put the core issue in the forefront, i.e., whether the workers are really safe.

Moreover, the distinction between "freedom as control" and "effective freedom" (Sen 1992, 64-66) clearly applies to these two cases. The capability to be safe does not necessarily mean that the workers must have the "freedom as control" directly to operate the levers of control in order to

be safe. Often the machines are highly complex, which would demand corresponding knowledge for exerting "freedom as control". Therefore, it makes more sense to understand the capability to be safe as "effective freedom". This means that the controls are exercised by experts in line with what the workers value and want, i.e., in line with their "counterfactual decisions" -- with what the workers would choose if they had the corresponding knowledge.

The fourth example relates to a wide range of social welfare provisions which are, to a varying extent, required from different types of enterprises in China. They may include "labor insurance" that provides disability and old-age pensions, maternity and sickness benefits, medical care and unemployment benefits, and may go as far as housing, transportation, the care for schooling and employment of the workers' children. From the perspective of human development, two fundamental questions arise: (1) What are the basic capabilities which ought to be assured to each person? and (2) What are the responsibilities of the governments at the national, provincial and local levels, of the various types of enterprises, and of the other actors in society (such as families and nongovernmental organizations) to achieve those goals?

Since discussing these questions exceeds by far the purpose of this chapter, I will only indicate the following line of reflection. Social welfare provisions should primarily be evaluated in the space of capabilities, and the basic capabilities are to be identified clearly. Given these goals, there is a great number of possible patterns for sharing the social welfare responsibilities among the actors in society, but two extremes should be avoided: these responsibilities should not be assigned entirely to the government(s) in order to liberate the enterprises from all "noneconomic burdens", nor should they be completely allocated to the enterprises as the "only productive organization" in society. The basic reasons for such a mixed sharing pattern are that social productivity involves numerous facets which do not allow a clear-cut line to be drawn between government and enterprises (and other social actors), and that a certain degree of redistribution is always necessary to help the needy. With regard to the different social burdens which enterprises in China currently have to carry, I would suggest that, first, one should consider the full amount of burdens including taxes, subsidies and so on, borne by the enterprise, and then one should make sure that each enterprise, regardless of its type, bears an equivalent amount of burdens so that all enterprises can compete on a level playing field.

In the near future, it seems likely that enterprises will want to bear fewer social welfare responsibilities in order to compete better internationally. This may lead to a reduction of social welfare provisions, which would no longer assure the basic capabilities of all citizens. Yet, this international challenge can also be met in a different way by maintaining the same amount of provisions (because of its top social priority) and shifting parts of them to government.

The fifth example concerns environmental standards and may be approached in a way similar to social welfare provisions, that is, clearly to identify the goals and apply a mixed pattern of sharing responsibilities. One might argue that, for environmental purposes, the capability approach is deficient because it does not account for the intrinsic values of nature itself, regardless of human beings. But it seems to me that the capability approach can provide a comprehensive evaluative basis for "sustainable growth"; both the needs of the present generations and the ability of future generations to meet their own needs can be conceived in terms of capabilities and functioning. However, I admit that this definition, elaborated by the World Commission on Environment and Development, does not include the intrinsic values of nature either. Thus the capability approach is not deficient but possibly may be insufficient.

Three Kinds of Ethical Challenges

As stated above, corporate ethics involves minimal ethical requirements, positive obligations beyond the minimum, and aspirations for ethical ideals. This distinction is crucial for identifying corporate responsibilities in the economic, social and environmental dimensions on the informational basis of capabilities. Some minimal ethical norms are fairly clear and universal, but the more one moves toward ethical ideals the more diverse and culture-bound the ethical challenges become and, consequently, the more they are determined by the moral actors.

Minimal ethical norms apply to all enterprises, regardless of whether the enterprise is on the brink of collapse or profitable. While being universal, these demands are always embedded in, and somewhat shaped by, a specific culture. Although they are unambiguous general principles necessary for a society to function and for business transactions to take place, it is not always easy to understand what the principles mean and entail in particular decision-making situations. Two different but not opposing views may explain the contents of such minimal norms.

The Initial Declaration, *Toward a Global Ethic* (Council 1993), attempts to formulate universally recognized ethical principles for a new global order. A second view is developed by Richard De George (1993) and relates more specifically to inter-national business from a U.S. perspective. As to the basic ethical norms, there is a high degree of common vision. The Declaration states three "irrevocable directives", namely, "you shall not kill!", "you shall not steal!", and "you shall not lie!", and extends them to the three commitments for a global culture of non-violence and respect for life, of solidarity and a just economic order, and of tolerance and a life of truthfulness. Similarly, De George mentions the injunction against arbitrarily killing other members of the community to which one belongs, the command to tell the truth and the reciprocal negative injunction not to lie, and the respect for property (though the meaning of property and respect may vary from society to society). With regard to business, he adds the norms of honoring contracts and of exercising fairness in transactions (as far as they are freely chosen). Underlying these norms is the Fundamental Demand that "every human being must be treated humanely" (Declaration) or the principle "not to harm" (De George) that is basic in numerous ethical traditions and may include non-human beings well.

In addition to these basic norms, there are other minimal ethical requirements which hold from a particular cultural perspective. As an example, I refer to the ten ethical guidelines and seven strategies for dealing with corruption which are developed by De George for U.S. multinational corporations (De George 1993). From the Chinese as well as the Japanese, European and other perspectives, similar attempts should be made by scholars and business people who have intimate knowledge of the specific cultural, political and economic contexts.

With regard to the ethical challenges in terms of positive obligations beyond the minimum and aspirations for ethical ideals, a large field of possible initiatives in both business practice and academia is opening up. Since these initiatives greatly depend on particular circumstances, they may be very diverse and cannot be stated in terms of universal norms and general guidelines. Some-times the impression prevails that ethics and responsibility have to do only with general principles and strict norms. However, the time seems to have come for the realization that making decisions and taking actions in an evolving world with many uncertainties also requires a great deal of moral imagination.

Limits of Corporate Responsibilities

Throughout this paper, a strong emphasis has been placed on the ethical significance of enterprises and their responsibilities for human development in China. While these issues are tremendously important, they also should not be overstated. The autonomy and freedom of enterprises are confined by numerous limits and thus their responsibilities as well. The limits set by macroeconomic policies and the economic order (at the "macro-level") are grasped with particular awareness when a society faces the choice between two opposing economic systems (as was the case in Germany before 1989) or is moving from one system to another (in the so-called "economies in transition"). In these situations business ethics may primarily focus on what a "just" economic system is and how it can be achieved. An outstanding work of this type is Arthur Rich's *Wirtschaftsethik* [Business Ethics] (Rich 1984/1990) which reflects the debate about capitalism and socialism in continental Europe after the Second World War. Yet this preoccupation tends to lose sight of, or to underestimate, the role and responsibilities of enterprises, including their important co-responsibility to build up, just background institutions.

On the other hand, corporate responsibilities are limited also by individual decision-makers, such as managers, employees, consumers and investors. Basically, the decisions individuals make (at the "micro-level") are not identical with corporate decision-making (at the "meso-level"); otherwise, no conflict between these two levels could arise. Moreover, as corporate structure, strategies and culture impact on individuals, individuals may influence enterprises to some extent. This is a strong conviction in the United States which gives high priority to the ethics of (individual) leadership in business (and politics). The message appears to be that "examples do matter" (see Murphy and Enderle 1994). Although I share this view, the concentration on individual decision-making sometimes seems exaggerated (e.g., in Stark 1993) by unduly "personalizing" corporate and societal issues.

In conclusion, business ethics must realistically assess the limited extent of freedom of the moral actors at all three levels and help the actors assume their responsibilities.

Notes

1. The names of these exemplary enterprises are fictitious.
2. The multinational corporation *Ciba*, Basel/Switzerland, says in its *Annual Report 1992*: "We strive to achieve sustainable growth by balancing our economic, social and environmental responsibilities. Empowered employees and a flexible organization support our commitment to excellence."
3. The Declaration was signed by leaders of all major world religions who gathered in Chicago in the fall of 1993 for the "1993 Parliament of the World's Religions". The only major ethical traditions not represented in the document were Confucianism and atheist humanitarianism.

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Table I

Overview of Chinese Industrial Performance, 1980-1992

A. Real Output

Ownership Type	Index of Real Output (1980=100)				Average Annual Growth, 1980/92 (percent)
	1980	1985	1990	1992	
State	100	148	210	257	7.8
Collective	100	247	554	914	18.4
Private	100	21752	126057	241455	64.9
Other	100	492	3530	8736	37.2
Total	100	176	328	480	13.1

B. Shares of Various Types of Firms in National Output

	Share of Nominal Output (%)				Percent Share of Incremental Output, 1980/1992
	1980	1985	1990	1992	
State	76.0	64.9	54.6	48.4	43.6
Collective					
Urban	13.7	13.3	10.3	11.8	11.5
Township-Village	9.9	18.8	25.3	26.2	28.8
Private	0.0	1.9	5.4	6.8	7.9
Other	0.5	1.2	4.4	7.2	8.3
Total	100.0	100.0	100.0	100.0	100.0
Total Output (Y Billion)	515.4	971.6	2392.5	3706.6	

Source: Yearbook (1993, pp. 409, 413); Rawski, (1993).

Note: Percentage totals may not check due to rounding error.

a-Privately-owned firms employing less than eight workers.

b-Includes private firms employing eight or more workers, joint ventures, foreign-owned firms, and other ownership firms.

Source: Jefferson and Rawski 1994, 48.

Figure 1: Mapping Corporate Responsibilities

Economic Responsibilities

Social Responsibilities

(3)

(2)

(1)

Corporate Responsibilities

Environmental Responsibilities

Three Kinds of Ethical Challenges:

- (1) Minimal ethical requirement
- (2) Positive obligations beyond the minimum
- (3) Aspiration for ethical ideals

NOTE E

Professional Ethics

Zhu Fenghua

Professional ethics is a moral system normative of professional behavior. It consists in the special moral requirements for professional groups and individuals. On the one hand, there are thousands of professions in contemporary modern society and every professional is in a position to benefit. As this can lead to conflicts between professionals and society there is need for a professional ethics to guide professional behavior. On the other hand, individuals and society all expect professional behavior to be excellent which also calls for a professional ethics. In sum, professional ethics is a guarantee both for the individual's elite life and for the stability of society; it is then a very important part of social life.

Professional ethics also is an important embodiment of the values of human life. Professional behavior is the center of human practice, as adults spend nearly a third of their time in their professional activities. So, having good professional ethics means that one succeeds in living values, as business ethics is formulated upon the requirements of social and business practice. If every professional, from the president and managers to the common workers, all observed professional ethics, surely the ethics of the whole society and of any business would be good. Further, observing professional ethics not only calms one's conscience, honors duty and protects one's reputation, but also helps avoid legal troubles. Hence, law is the powerful force inducing professionals to observe professional ethics.

Every profession has its own detailed professional ethics formulated by its social unit or business according to the moral requirements of that social unit, but several moral norms are common and applicable to all professions. They are:

- (1) Service to other individuals and society
- (2) Respect for one's profession
- (3) Loyalty to one's duty
- (4) Honesty and trust
- (5) Constant improvement of one's technique

- (1) Service to Other Individuals and Society

The core of professional ethics is to serve other individuals and society. One has a profession not only to obtain money for one's own, but also because one has a duty to serve other individuals and the society.

The ancients lived in a natural economic society, and could satisfy their needs only by themselves. Now we live in a modernized society with a strict social division of labor. As every profession is only a small part of the whole society, the inter-dependence of individuals and society increases day by day. Everyone needs other individuals: society offers numerous services and at the same time each person offers her or his own service for others and society. Professional ethics is formulated for this purpose. If everyone offers excellent service according to the ethics of their profession, human life will improve and society will be more safer.

It is not enough to act only according to the professional rules and regulations; every professional must love other individuals and love society. Then one will serve other individuals and the society with enthusiasm.

(2) Respect for One's Profession

To respect one's profession means that every professional must respect and love the profession in which one is engaged if one is to offer excellent service for other individuals or society.

A society has many different professions. In some minds these are divided into noble and humble, higher and lower, usually according to incomes and reputation. Hence, they have their own standards of professional choice and are not always based upon their professional work. We must respect the right of free professional choice, but all professions are needed. If only one profession ceases to operate, as in a strike, individuals feel the inconvenience in life, and society will be unstable. Only if they understand the significance of their profession can they respect and love their professions, work hard and offer excellent service. If one works to the best of one's ability one is moral and noble-minded, even though one is only a common worker with a low income.

Respect for one's profession has the following characteristics:

- A. A strong sense of professional responsibility
- B. A high sense of professional honor
- C. A firm defense of one's professional dignity

(3) Loyalty to One's Duty

To have a profession means that one also has a duty to serve other individuals and society. This duty is not abstract, but entails many concrete requirements beyond the rules and regulations formulated by each business and unit. Every professional must exert great effort to attain these requirements, which include working hard, keeping secrets, etc. The most important is to avoid corruption, not to accept money for non-professional conduct. Corruption now is the big problem in professional ethics and is wide-spread in the world from top authorities to common people. Professional ethics must be strengthened in order to overcome corruption.

(4) Honesty and Trust

"Honesty and trust" is a most important part of professional ethics. Professionals have many relations and must pay special attention to honesty and trust, because the operation of society and business is based upon these. If professionals lose honesty and trust society will breakdown; businesses will close, which in turn will bring great harm to the professionals themselves. On the other hand, honesty and trust are needed to create one's own moral figure and assure the success of one's professional behaviors.

Professionals face an ethical dilemma when a higher authority orders them to do something to deceive others. If they do this the professionals will damage their reputations; if they do not they may lose their jobs. A professional who has a sense of justice surely will refuse the order.

(5) Constant Improvement of One's Technique

For the aim of offering excellent services to other individuals and the society desire is not enough; a professional must also have great skill and superb technique, especially in a society where techniques develop very quickly. Where many services depend upon a variety of techniques and technical equipment, new production, new techniques and new equipment are all in a constant process of development. Hence, every professional must constantly learn new techniques in order to keep up with the progress of technical development throughout his or her life; a Chinese proverb says, "Live and learn until death".

Mechanisms for building professional ethics:

(1) Educational Mechanism

Professional ethics is not innate; it changes and enriches its norms in step with economic and social development. Hence, there is need for a continuous education process to inculcate professional ethics. Such education must concern one's whole professional behavior from beginning to the end.

(2) Binding Mechanism

Not all the professionals will observe professional ethics conscientiously, so there must be a mechanism to enforce professionals to observe professional ethics. This includes two major elements: One is to help the professionals to follow rules and regulations, to follow and to avoid their violation. Another is the system of supervision which contains two aspects: internal and external. The internal system is the role of supervisors in the business or unit; the external includes that by the media regarding service rendered -- including a procedure for whistle-blowing in order to supervise professional behavior.

(3) Encouragement Mechanism

A system of rewards and penalties is the heart of this mechanism. It uses the profit principle to encourage professionals to offer excellent services. Most professionals hope for more money to better their living; that is a human instinct. The system should reward professionals whose behaviors accord with professional ethics and penalize other professionals whose behaviors are not in accord with such norms.

Education together with building and encouraging these three mechanisms should enable society to have good professional ethics; the three mechanisms should work in coordination and supplement each other.

Education is the base: without this people cannot observe professional ethics conscientiously; enforcement is the core of a strong improvement of professional ethics: without it professional ethics will not be observed; encouragement is the key: without this professional ethics will lack internal motive force.

Finally, a professional ethics is realized only through the subject's professional behavior, closely related to one's human's character, mainly at the level of ethics, science and culture. So the fundamental task in building professional ethics is to raise the professionals' ethical, scientific and culture levels.

expanded: any behavior caring for, protecting and developing life is good. The relation between man and nature should be a close and mutually appreciative as with an organism.

3. Kenneth E. Goodpaster in his work, *From Egoism to Environmentalism*, holds that the environmental problem is a huge crisis for the 21st century. He emphasizes that humankind must change its attitude from egoism and chauvinism towards nature.

4. In 1986, Prof. Paul Taylor of Princeton University published his work, *Respect for Nature*, with the subtitle *A Theory of Environmental Ethics*, in which he put forward a number of basic principles: the natural world as an interdependent system in which humans are members of the earth's life community. As every living entity as unique and cannot be replaced, therefore we must respect nature, respect life.

5. In 1988 Thomas Berry published *The Dream of Earth* which holds that humans and nature should co-exist in harmony so as to evolve peacefully on the earth a community for both. This is the promising way to future, as well as a dream of the earth. At the same year, Temple University published Holmston's (?) masterpiece, *Environments Ethics*, with a similar viewpoints.

To sum up, the main points are as follows:

1. Human, Earth and Nature make up an organic system of interdependence, or one world or commonwealth. Mankind is a member of the earth's life of community, expressed as a global village. According to an old Chinese saying, the members of a community should cross a river in the same boat, meaning that people in the same community should help each other.

2. Man and nature should constitute a partnership in which each depends on the other, helps each other, not a relation of conqueror and conquered or master and slave.

3. Natural things do not exist for man, but have their own internal objective. Humans must not substitute their own objectives for those of nature, but must respect nature, respect life.

4. It is necessary to overcome the idea of human egoism and to advocate that everything on earth is equal and in harmony. As Copernicus' astronomy disclosed that the earth is not the centre of the solar system, the contemporary ecological ethics tells us that humanity is not the center of the earth.

Chinese Philosophical Resources

In Chinese traditional philosophy there are a great many similarities to the main standpoint of modern ecological ethics. Ancient Chinese philosophy sees a unity of humans and nature, assuming that nature, humans and all things on earth are accessible to each other and hence unified. Thus the Confucian School claims that the man who knows nature is qualified as a Confucian disciple. The humanism of Confucianism did not reject nature; but sought a supreme state of unity of man and nature. believes that four things on earth are great: natural law, heaven, earth and humankind. The theory asserts that humanity is as great as nature, and that the two are interdependent.

Ancient Chinese philosophy holds that the whole of nature is infused with vitality: "Dao is present everywhere. Everywhere on earth, be it large or small, whether alike or lifeless, has a

reason for existence. Therefore we should respect to life and nature and everything on earth should be treated equally.

The view that everything on earth contains is affirmed even more clearly and thoroughly in Buddhist doctrines. There is an old Chinese saying: The stone nods. According to Buddhism, even stones have a soul, and hence can nod. Master Dao Sheng of Dao Sheng Buddhism who was well informed on Zhuang's philosophy had a deep faith on the adage. "Dao is present everywhere." Before *Da Ban Yi Ban Yin* () was translated into Chinese, he had already considered Buddha to be present in everyone's soul. All creatures are alive; even a stone has life. At that time, to the mind of some of Xiao Cheng's disciples this view seemed fallacious. But when the translation of *Da Ban Yie Ban Yin* () came out it confirmed that Buddha is present in everything with no exceptions, even of a stone. It is said that Master Dao Sheng travelled widely to disseminate Buddhist doctrine. The story that once he went to Hangzhou to give a sermon, and the stone in the pool bowed to him survives to the present day. Though only folklore, it implies an ethical principles for environmental protection. The stone, if viewed merely as a stone, certainly is lifeless, but in Chinese philosophy the Confucian, Taoist and Buddhist schools all believe that everything is infused with life and is equal so that even a stone had a reason for existence and its proper soul.

Chinese Da Sheng Buddhism holds that everybody and everything has the Buddhist spirit and can turn into Buddha and display its splendid life value in the world. The idea of ecological ethics that everything in nature has equal life value, equal right and equal dignity in nature is very similar to what Chinese Da Cheng Buddhism calls the Buddha soul and spirit. It is claimed in *Da Ban Yin Ban Yin* () that all things have an equal right to survive and evolve. This is similar to the theory of modern ecological ethics which also upholds that everything on earth has the right to exist and develop.

Modern ecology requires us to change nature and protect it. The co-existence of the objectives of nature and humanity requires that we adopt a policy of both changing and protecting the nature.

Humankind cannot use nature's objective to replace his own, but he be at the mercy of nature. For the same reason, we cannot supplant nature's objective by that of humanity. We must acknowledge and respect nature's objective, and protect its ecological balance, structure and reproductive capacity. At same time, under certain conditions, we must transform nature, change the course of realizing its objective, and enable the human objective to be realized. From this starting point, we must draw upon the treasures of ancient philosophy and strive vigorously to construct and develop ecological ethics.

On Economic Development and Human Moral Capacity

Lu Xiaohe

In 1873 J.S. Mill said that the utilitarian moral viewpoint affirmed the capacity of human beings to sacrifice their own welfare for that of others. Today the classical utilitarian, including Mill and modern consequentialists, are criticized by many British and American philosophers. But what Mill affirmed is still an undeniable fact, that the human being has this valuable moral capacity. Of course, Mill himself never explained this concept. Here, we are concerned with this capacity with respect to economic development. This study will seek to clarify: first, the nature of this capacity; second, the relation between this capacity and economic development, regarded as determinative in social development; and third, how to treat this capacity. It will be important to discuss this topic with respect to present moral theories and practice.

The Nature of Moral Capacity

Thanks to Marx's epoch-making contribution, we know first that morality, as a form of superstructure and ideology, is determined and, in turn, greatly influences the structure of society; and second, that the law of moral development and its social function exists in and is realized only through conscious human action. However, we have neglected to investigate the inner structure and the law of the human mind and of human abilities in performing moral act. Especially when the domestic economy changes greatly, we consider merely how to change the existent morals in order to meet the requirements of the reform, ignoring the actual state of the capacity, its philosophical explanation, and the proper practical attitude in its regard. This is the task of moral philosophy.

As we know, there are various human capacities, but so far we have neither heard of a human moral capacity nor found it in psychology, philosophy or ethics. However, some thinkers have made note of this capacity. Apart from Mill, Kant said that only rational beings have the capacity to act in accord with a conception of law, i.e., had a will. This referred to a human capacity in the moral realm, though will differs from this capacity, as will be explained subsequently. John Rawls used the term, "moral capacity" when he described the features of a moral person; he thought that the majority of humankind possessed such a capacity. However, he spoke of the capacity for acquiring a sense of justice; this, however, differs from what will be defined below. According to the theory of the ancient Chinese thinker, Mencius, human nature is what, in contrast to brutes, enables one to be the master of one's fate. It enables one to be benevolent, just, strict and wise; to feel shame; to be sympathetic and polite; and to distinguish right and wrong. This theory affirms that humans have the capacity to choose what is better; this is what I shall probe.

Though these thinkers have noted in various ways this human capacity, none has ever given a clear and proper definition. Human moral capacity is the proper capacity of human beings to act in terms which go beyond simply one's utility. This has the following two properties:

1. Moral capacity is essential to human beings. The human essence usually is considered to be the sum total of all kinds of social relations. Labor as conscious and free human activity distinguishes humankind directly from all else and should be taken as the human essence according

to Marx. Concretely, it is the sum total of social relations. Marx noted that the differences between humans and animals is that humans can not only produce in response to bodily needs, but also know how to produce according to the criteria of the whole species and of beauty, and so have a moral capacity. Though there is so-called "altruism" in some colonies of animals, e.g. the so-called "moral behavior" of sacrificing a few individuals for the survival of their colony, only a human being can consciously exercise morals which are accepted by oneself and willingly give one's own life on the basis of obligations and duties with regard to the existence and development of communities. Humans undertake social relations in material production and spiritual relations (including moral ones) which reflect material requirements of certain societies or groups for those who live in these communities. Animals, of course, have no such rich social nature, let alone the autonomy of acting consciously according to the interests of the community and the morals which reflect those interests. Only human beings have such a nature and are able to do so. Marx said that the basis of morality was the autonomy of the human spirit, whether that spirit be of one's gender, race, nation or the whole of humankind. Therefore, both the activities of human life and one's social nature show that the human moral capacity is specific to human nature. Just as one's ears are sensitive to music and one's eyes are sensitive to beauty, moral capacity is a natural power.

2. Human moral capacity is the psychological character needed by humans for successfully performing moral actions. Usually we think that a moral act has two properties: it must be based on a conscious recognition of the other, that is, on social interests; and it must be the result of a free choice made by the agent. It follows that, psychologically, human moral actions involve human reason and will. These are considered by Kant to be the same for pure reason has a practical capacity and reason itself suffices to determine will; pure reason is practical reason or will in the moral realm. Kant was concerned only with the will being in accord with the law of pure reason, not its real capacity. Like cognition and emotion, as a part of the psychological process will is a psychological activity for doing or not doing according to one's aim. The moral capacity is a characteristic or stage developed and consolidated in the psychological process. For moral actions it is not enough to have good will without good capacity. Doing or not doing moral actions is determined by the will, but the actual execution of moral actions is through one's capacity for moral activities. For humans the performance of moral actions is an exercise or manifestation of the moral capacity and relates to the will.

We might say that this is the capacity to make one's bio-logical nature obey one's social nature, and that it derives from, and develops in, the process of the will. The constant use of this capacity finally will become a habit or moral character. Therefore moral capacity, as an effect of the will, is the beginning of the formation of moral character. This view accords also with the relations between the individual psychological aspects. Usually it is noted that moral actions are those which benefit others and society under the direction of a moral conscience; moral character is the inner key to moral action. As these are realized by the capacity which derives from process of the will, moral character is none other than the habitual use of the moral capacity. Thus, moral actions manifest the capacity which differs from, and never yields to, animal instincts. This is the substance of ethics.

Through history, the requirement and capability of human autonomy, and the scope for applying moral capacity have been expanding. In primitive society, the autonomy and the scope generally were limited to their own people and tribe -- for Engels tribes always were delimitations of people. After entering class societies, on the one hand, social beings turned egoistic and individualistic. On the other hand, the emergence and awareness of the interest of classes, cities,

countries, nations and even the whole of humankind opened the scope for applying human capacities beyond the bounds of the tribe and gradually expanded them to these large communities, although such an evolution and expansion of these capacities in the majority of human beings was concurrent with its decline in the minority. Nowadays, there appears to be a moral tendency to assume a moral attitude towards not only all people but all living beings and even the environment. This suggests that humans can expand it to the whole natural world, and that human behavior must be restrained by the spirit of the natural world, rather than that of human beings alone.

If this general tendency be granted, we may ask how this capacity forms and is developed, and whether it evolves along with economic development as does morality.

The Relation of Moral Capability to Economic Development

In the formation of this capacity, economic activities as fundamental practical activities, play a determinant or foundational, though indirect role. Socio-biologist F.O. Wilson said that the altruistic ability of humankind, like that of social insects, violence through the choice of members of the same clan. But the non-rational altruism he spoke of is not the human moral capacity. The latter differs from the altruist capacity (which should be called an instinct) of insects in being a willing and conscious capacity for moral actions. At most, it might be accepted or rejected by the members of the clan, but such choice cannot be endowed with the willing and conscious character which distinguishes it from instinct. Human moral capacity can only be a result of human history.

It is necessary to inquire how the property is formed. It is based on a fundamental human practical activity, i.e., material productive activity. While the relations between man and nature, between person and person, were formed in material production, animal psychology was transformed into human psychology with human consciousness and language. The development of material production and the division between labor, especially between mental and manual labor, further divided human consciousness into a variety of forms, including moral consciousness. Since then moral consciousness has functioned in two ways: on the one hand, as a form of ideology, it performs social functions to serve the economic basis; on the other hand, it carries out its personal function, with other structural factors of moral capacity. One of these factors is its structural form, that is, human reason, emotions and will. The other is its structural content: moral principles or norms. When agents combine form with content, they get the moral cognition, emotion and the will to carry out moral actions and form the structure of moral capacity. Since moral cognition and emotion combine in the process of the will to perform moral actions, such a structure can be called the structure of will.

As mentioned above, a structure is founded and consolidated over a long period. It follows that the structural forms and contents of the moral capacity would not have come into being without human material production. As animals are never engaged in material production they cannot have these two structural factors. For man, the need to combine these factors derives from the determinative role of economic relations in morality. The possibility of their combination depends on the activity of these structural forms and also on moral influences or moral surroundings. Hence, in this respect, the economy has only final significance; it cannot directly determine or realize the combination of the two factors, nor form moral capacity directly.

It is difficult to trace exactly how the initial human moral capacity came into existence. The morality of the long primitive societies (in fact, of all the societies in later history) required the submission of individual interests to collective interests. The moral surroundings of primitive societies encouraged a long and stable combination of form and content and the construction of a

relevant structure of the will. As a result, humans obtained moral capacity as a psychological character. This cannot be directly inherited by biology, but is had by every person one meets. It exists in every normal person as a congenital potentiality, that is, as a possibility which subsequently can be realized under certain conditions. The ethics and moral education of all societies presuppose that people have this potentiality or possibility, but do not explain it. The development of the economy and the various moral surroundings (which accompany the former) influence and help to bring about or impede the realization and development of the potentiality, but they cannot rule out this potentiality. Here, economic development exerts but a subordinate influence.

Thus, we turn to the development of moral capacity: how congenital moral potentiality becomes an actual ability and how the moral capacity, as a psychological character of humankind, develops in individuals. As in the brief description of the tendency at the beginning of this section, a sign of the development of moral capacity is the extension of the scope of application of moral capacity, that is, improving its latitude. Let us see how economic development plays its role here.

First, the development of interconnections in the economy brings about these broader interests of individuals, clans, tribes cities, countries, nations, even the whole of mankind, along with the morals which confirm, reflect and defend these interests. Economic development generates and strengthens the conflicts between persons and nature. Conflicting interests between groups and the evils visited upon humans in retaliation by the natural world also influence the formation of certain morals and the need to obey them. Just as "resistance to great evils makes a sage", to a certain degree evils expand the scope of application of the moral capacity. However, the positive or negative results of economic development regulate merely the direction in which morals or the structural contents of the moral capacity develop, and exert pressure on the combination of content with form, but they do not directly construct moral capacity or determine the latitude with which agents exercise their moral capacity. Both of these can only call for the activity of human consciousness, and for the inner influence of moral surroundings upon moral agents.

Hence, regarding the influence of economic development upon human moral capacity, economic development is the basis of the structural forms and contents of human moral capacity, but can neither deprive human beings of this capacity nor directly create it. It is the chief cause by which the activity of human consciousness and the influence of moral surroundings upon moral agents moves human moral capacity from potentiality to actuality, from the small to the great.

How to Treat Moral Capacity

1. In the West, especially England, some post-utilitarians deny any human capacity in the moral realm, and regard altruists as "moral paralytics". They see persons as characterized by partiality, and consider impartiality and impersonal moral requirements as beyond normal human capacity. While not denying the partiality of individuals in real life, morality lies in transcending partiality and performing moral actions which are decided by oneself but in terms which go beyond one's own utility. Such capacity can extend to heroic sacrifice of one's own life for the welfare of countries, nations and humankind. It can also be exercised in sacrificing one's petty gains in order to observe social morality or to perform one's duties. As a matter of fact, most people exercise this capacity every day. It is in us, not beyond us.

2. Since in form any morals is impartial and impersonal, it represents, in essence, the interests of a certain people. In most societies, on the one hand, this capacity of the majority of people has been utilized by the ruling class or the privileged stratum as the most convenient and effective

means to their private goals. On the other hand, the situation of meaningless sacrifice and the abuse of moral capacity has changed gradually in pace with the awakening of individual consciousness and the raising of a critical level regarding morals. This side of the situation allows for no optimism. So the problem does not lie in whether humans have moral capacity, but how to respect and promote that capacity: moral capacity too must be treated morally.

3. The economic system in China is now in a transition from a planned to a market economy. Ethics must work out a corresponding new moral system according to the principles of economic relations which determine morality.

It is said that the principle of utility as posed by the classical utilitarians should be taken as the fundamental moral principle of the new era. In contrast to the principle of maximizing happiness posed by the classical utilitarians the utility claims that to become rich lawfully is moral, or that effective economic action is morality itself. Therefore, individual interests become the ultimate judge of morality. This has not the form of a universal principle, even that of classical utilitarianism it can be taken at most as the moral principle in the economic realm. This cannot be regarded as a fundamental principle for one's whole moral life, for persons are not only economic agents, but also moral ones. As an economic agent one has a lawful right to pursue one's own interests; as a moral agent one should accept certain moral principles and moral ideals, and undertake certain moral obligations. Individual utility often is not the aim for which individuals perform moral obligations; it may even conflict with such obligations. So the principle of utility may be of no help in human social activity. The reason why such a principle overlooked the moral capacity of most people. Moral principles occupy a dominant position and penetrate deeply into the structure of people's moral capacity. As in social morality, most such principles are not in step with the changes in the economic system.

Hence, the principle of morality should be taken as the main morality in our moral life. Where conflicts of economic interests cannot be resolved by appeal to laws, and moral problems in economic activity cannot be settled by appeal to the principle of utility. These conflicts or problems must be solved under the guidance of principles of morality on the moral level. The human moral capacity will never be out-of-date.

4. In fact, all respect those who display a high moral capacity, whether one denies or affirms the capacity, for it manifests the differences between man and animals and is the inner essence of being human. Though economic development has nourished or tested the capacity with its productions of various kinds, it does not of itself produce so noble a reality as the moral capacity.

Economic Development and Moral Transformation

Fu Jizhong

The reform and open-door policy have stimulated Chinese economic development and paved the way toward the national goal of four modernizations. Historical experience shows that economic development leads to a transformation in ideology, modes of thinking and sense of value. Of these, the transformation in morality is certainly among the most important.

As economic development needs moral support, so in the course of economic development morality sets new demands which cause moral transformation. Specifically, on the one hand, some old moral ideas do not meet the requirements for economic prosperity and so need to be reestablished or to be enriched by new contents. On the other hand, with economic development, new moral requirements will spring up constantly which need to be reviewed and generalized. Besides, such questions as how to deal with traditional Chinese morals, that is, how to inherit and promote what is good in the morals of the Chinese tradition, and how to study the relation between the Chinese moral tradition and modernization, all concern the content and dynamics of morals and must be studied in detail. For this reason, the relation between economic development and moral transformation is an important topic for moral philosophy.

The Relation between Economic Development and Moral Transformation

The necessary condition for social transformation usually is a proper interaction of various factors in social life. In a society the economy, politics, ideology and culture are mutually related and interactive. The objective of economic development to increase the social productive force is based on the interchange of the various social factors. It is the harmony of these factors that makes for rapid economic advance.

Morality conditions human behavior by means of common sense, behavioral norms, ideals and faith. This includes a sense of values, of ideal personality, social norms and so on. Only by conditioning morals can human behavior be brought under control and converted into a huge force that drives economic development; in turn economic development brings about a moral transformation corresponding to the transformation of the social structures. Consequently economic development and moral transformation interact with each other.

Historical experience tells us that during the period of social transformation, acute conflict of old and new morals is inevitable, and exerts an important social influence upon the sense of value, life ideals, and the understanding of perfect personality; it can lead even to reflection upon and reshaping of morality, generally called a "moral crisis". Typical expressions of this moral transformation can be found in the development of both Chinese and Western morality.

In ancient China the period from the east Chou Dynasty to the Qin and Han Dynasty was a turning point when the slave system crumbled and the feudal system was born. It was a period filled with acute moral conflict. The ritual system of Chou Dynasty served as the core of the moral ideas of the slave society, but in feudal society different ideas, centered upon benevolence and love, were formed in place of the moral ideas of slave society. It was against the broad background provided by these two different kinds of moral ideas that the ethics of the early Qin Dynasty thrived. The ethical thoughts of this period reflect a very complicated paradox of which Confucian

theory is an example. Such words as "Since ritual collapsed, music got worse, I could not see King Chou again" is the historical prototype of the moral crisis of the Confucian age. The Confucian doctrine of the mean promoted compromise among conflicting moral ideas in social life, while the doctrine of kind-heartedness represented the moral demands of feudal force. Confucian ethical thought demonstrates the complexity of economic development and moral transformation.

The moral development of the modern West also reflects the fact that economic prosperity will lead to conflicts between old and new moral ideas. When the Renaissance exerted great impact upon moral and religious norms the ideas of Man being the center of the universe and of freedom were advanced. The new views on morality and a new sense of value replaced religious morality. In England the rise of experimental science laid the philosophical foundation for a new morals. In France the moral forms were established by Enlightenment thought and political revolution. In the modern West this acute conflict of moral ideas lasted several hundred years.

The alternation of various moral forms in history relies greatly upon the development of the social economy, while the latter was always accompanied by moral transformation in which old and new morals were inevitably in a state of fierce conflict. As the social transformation proceeds to deep structures and the economy thrives, the moral transformation and reshaping surely will continue. Hence we should study further the special characteristics of moral transformation in economic development.

Special Characteristics of Moral Transformation in Economic Development

Morality as a cultural phenomenon differs from the economy in the following ways: economy is the most direct and elementary embodiment of social relations; hence social transformation always begins with a change of economic relations. As compared with the economy, morality is the spiritual force that constitutes the internal human essence and the good that the subject consciously pursues. A change of morality can be realized only by associating the internal feelings of the human body with the requirements of the external world. As the conditioning system of social life, morality dwells in personal habit, social custom and ritual norms; it effects the cultural and psychological elements of the human body. It is the organic combination of human volition, sense and sensibility. In one way, morality depends upon economic development, but in another it is independent. The above properties of morality give rise to the following special characteristics of moral transformation in the process of economic development.

Stability. The relative independence of morality from economy implies a stability in the course of moral transformation. The persistent influence of morality makes it a customary fact of social life and of the cultural and psychological elements of personal life, which thereby achieve a special stability. Its moral psychology is a cumulative effect of the pursuit of the good by countless people, containing elements from different stages of development. This stability in moral transformation is manifested by the fact that many moral norms and qualities are required for moral change. In the contents of morals, there is bitter conflict between the old and the new, good and evil, making moral relations and transformations more complicated. But in the course of moral development, the moral content remains stable, and the good as the objective of morals cannot be changed.

Action. In economic development, on the one hand, moral transformation, is stable, but on the other it is active. The social function of morality is to condition human behavior, to advocate what is right and to criticize what is wrong. Moral education should be designed to stimulate the moral activity of human beings, to be beneficial to economic development and to drive the society forward. But since moral activity is not compulsory, if there is no internal consciousness, no matter

how strong be external public opinion, it will be impossible to produce moral enthusiasm. As morality is the combination of human sense, volition and sensibility, it must be the end of human pursuits and aspirations. Moral behavior is controlled by the internal moral effect produced by this sort of internal consciousness as the activity of moral trans-formation.

In economic development much good behavior can be looked upon as the behavioral effect produced by setting the conception of the good as the objective for the subject in the course of moral transformation. As an ideology closely related to human feelings moral behavior has strong and active power: hence moral trans-formation manifests the moral reaction to economic development. The special properties of morality determine that its development does not keep in step with economic development; usually it lags behind. Some moral ideology still has some effect on society after the economic structure on which the moral ideology was constructed has been eradicated. Besides certain factors of the new economic relation appear in the course of economic development. In such circumstances, the elements of a new morality which represent and maintain the new economic relation also will be produced. Morality then is not inactive and static, but active and mobile in relation to the economy. This is the activity of moral transformation in economic development.

Inheritability. No doubt the moral transformation results from economic development and social progress, but the moral ideology that dominates a society must rely on the moral assets accumulated over the long history of human society, thus the problem of moral inheritance. The pursuit of moral personality often attains a certain transcendence. A typical example of this can be easily found in the moral ideology of Chinese feudal society. The Confucian ethical theory based on the ritual system of Chou Dynasty is the orthodox moral ideology throughout the long Chinese history. Despite the fact that Confucian morality displayed different characteristics in various historical stages and social groups and was differently interpreted, nevertheless the 2000 years of Chinese feudal society co-existed with other theories. This shows that in history different types of morality have aspects of both transformation and inheritance.

Moral inheritability refers to continuity and self-transformation in morality. As morals of every historical time serve as a link to the whole of human moral development, the law of moral development is the objective foundation upon which later generations are able to draw on the moral heritage. Moral inheritability serves as a subjective criterion for assimilating the moral heritage. Criticism and inheritance are the two indispensable aspects for dealing with moral heritage. Criticism is a necessary condition, while in-heritance is required for human practice and objective choice. Without inheritance morality cannot advance. At present, as great achievements have been made in the economic development of China, moral transformation surely will take place.

This is the question of how to build a new morals. China has more than 5000 years of civilized history which left a large treasure of excellent culture and traditional morals. Apart from Confucian theory, there are other theories of different schools in which many things are worth studying and advocating. In order to meet the demands of economic development of our country and cultivate the new generation, it is necessary to undertake this task.

How should we inherit Chinese traditional morals with a critical attitude. Generally speaking, the basic method is to discard the dross and select the essential. But first of all, we ought to acquire a correct understanding of traditional morals. On the one hand, we should not look upon it as useless and sweep it away; but on the other hand, we also should not regard it as a perfect and eternal truth. In deepening economic transformation the method of a unity of opposites can serve in treating moral problems. While we criticize the unhealthy parts of traditional morals in guiding

theory and practice, we are required to renew it and turn it into important content for a renewed morals.

Moral reconstruction requires that socialist morality under-go a process of rearrangement, purgation and perfection. Just as Marxist philosophy does not claim that it discovers all truth, but only finds the way to know truth, traditional Chinese morals does not reach the summit of human morality, but only lays the foundation for realizing the ideal of the good. The criticism and inheritance of traditional morals is in essence creative and revolutionary, and contains the philosophical basis of self-trans-formation.

Complexity. In the course of economic development moral transformation is a particularly complicated phenomenon and can-not be reduced to the simple formula "economy-morality", which would mean that development in the economy and morality are the same; this would be a mechanical point of view. In reality, economic development does not correspond to moral transformation, and economic prosperity does not necessarily promote a moral ideology; to the contrary, often it results in a loss of creative power on the part of morality. This shows the complexity and multiformity of moral transformation.

Morals, as an important content of human consciousness, not only has the effect of conditioning human behavior and maintaining economic relations, but more importantly it is the ideological structure and rational power of human self-perfection. This is an historical process which cannot be regarded as one kind of self-perfection at one age and another kind of self-perfection at a different age. Human self-perfection may be different in degree at different ages, but this difference expresses itself in the course of its own evolution. The historical transformation of morality is the process of human awakening and maturity, and the perfecting of moral reason. The prerequisite for the ideal good is that there exist common factors in the different moral transformations at each historical stage. Therefore, it is necessary to study the complexity of moral transformation in order to understand and promote the progress of moral culture in economic development.

Some pessimists fail to understand the dialectics of moral development and think that economic development will cause a gradual degradation so that society will return to its natural and primitive state before morals can reach perfection. Generally speaking, this viewpoint, is incorrect. The general tendency of moral transformation, in no matter what economic period, is always to go forward, not backward and down, although its way forward is winding rather than straight. In the general forward course, there will be some stops, even retrogression at certain stages, and in some respects it will appear to go down. The history of moral transformation makes clear that the way in which morals advances is tortuous.

This complexity of moral transformation is revealed clearly in the history of social development. In primitive society morality is to labor collectively and equally, to help mutually and to merge the individual into the whole of mankind. Many scholars regard such a natural and equal moral circumstance as a beautiful, ideal state. In slave society, the products produced by slaves were totally taken by slave owners. The basic rule that slaves must be absolutely subject to their owners became the morality of slave society. In feudal society, a patriarchal relation was the primary social principle of morality: Being loyal to the king and filial to one's feudal society. Modern capitalist society changed all this so that the viewpoint that the primary condition of human nature is to pursue personal interests became both the starting point and the end of every action. Economic prosperity brought about by the rapid development of modern science and technology far surpassed the total economic achievement of past times. Reviewing the history of social development, we can understand the corresponding history of moral transformation. But the

question worth attending to is whether the morality of various periods of economic development goes forward or backward.

From primitive society to slave society, economic development was achieved at the price of moral degradation, for which reason some scholars suggest a return to nature. Such an attitude obviously lacks understanding of the nature and history of morality and does not associate moral transformation with the history of human civilization. In fact, the peaceful and harmonious primitive life and moral system was broken up by slave labor which changed reality. But in this painful loss people reflected upon the meaning of self-existence which aided self-awareness to reach maturity. At various stages of social and economic development human life was filled with new contents and significance. In this way an improvement of material and spiritual riches took place. It was the loss of humanity that enabled mankind to understand more deeply and clearly its own nature, and to see the hope for human development and an ideal society. Otherwise, if we hold to the dream of primitive morals then the human value that unfolded as truth, goodness and beauty will be lost. Economic development is always concerned with moral transformation and any moral transformation according to old moral norm will be repudiated as degraded. This is the intrinsic pattern of the self-perfection of human nature: moral transformation is the very ladder to perfect human morals.

Maintaining Human Dignity and Making Social Progress

Change in moral ideas is one of the important components of ideological modernization. The change in the various factors of economic development logically causes a change in morality. For more than 5000 years Chinese civilization has been famous for its rich and splendid culture, especially its ethics. In the great cause of modernization, it is the primary task of workers in ethics to study the characteristics of moral transformation and enable it to develop in the right direction so that it is favorable to an open-door policy and to economic construction.

Here it might be interesting to review the history of Chinese modernization. In the 19th century when Western culture began to exert even stronger influence over China, the Chinese people began unconsciously to renew itself. The history of the Chinese movement of modernization is made up of movements of social transformation initiated by natural vanguards, their numerous heroic deeds and the unforgettable lessons learned from failure. To study the real causes of these failures will no doubt bring us plenty of valuable information for present economic development and moral transformation.

Ideological transformation always plays the role of a pre-cursor in political and economic transformation. Since the Opium War of 1840 China had gone through several movements aimed at rebuilding a powerful country with a thriving economic and democratic system by introducing Western technology and social systems. Thus appeared eventually the Revolution of 1911 which overthrew the Qing Dynasty and established the capitalist system. But the cultural and ideological transformation was not launched until the May 4th Movement. After the founding of the People's Republic of China, both the political and the ideological system underwent a complete change. However, in socialist constructs very often priority is given to material civilization without enough attention being paid to the feudal factors and their cultural back-ground. This has been the cause of some failures in our work of nation-building. Therefore, the present socialist transformation is a deep revolution.

As an important part of social ideology morality falls in the area of socialist reform and the open-door policy. On the one hand, it is inheritance of the moral culture of the long period of

civilized history; on the other, it is a development of new moral factors from the socialist economy, thus creating the double task of setting and resetting moral norms. The former means enhancing the excellent traditional morals, the latter refers to establishing new morals suitable to economic development. These twin tasks are closely related. Culture cannot be separated from history, for its formation must undergo a very long process; therefore it depends on the national traditions. Now that we are going to establish a socialist market economy, the objective is clear, but its mechanism is imperfect; hence it is necessary to set new moral norms to support economic development. This is the general task of moral construction for the present time.

It should be noted that realistic moral activity is relatively independent of economy. That is, on the one hand, it follows the theoretical direction of economic development, and on the other, it lags behind that reality. But whether it is setting morals or resetting morals, both are concerned with the objective of moral norms for economic development. Without this objective, we have nothing to say on economic development and modernization.

Generally speaking, the objective of morals in economic development can be summarized as follows; first, to maintain human dignity, and second to make social progress. To maintain human dignity means to respect human rights and freedom, to respect science and democracy, to respect knowledge and talents, to be just and righteous, honest and faithful, and to be a noble person.

It should be pointed out that in economic development some phenomena do not conform to this objective. For instance, making a large fortune at the expense of public interests, disturbing normal market competition with a view to profiteering, and so on. These unjust and greedy deeds damage human dignity, injure the growth of new morals and block economic development. This immoral phenomenon must be checked effectively to prevent it from doing too much harm.

Man is a social product. Only by maintaining human dignity, respecting human freedom and giving the human spirit full freedom can we drive society forward. In economic development, morality is a question not only of theory, but also of practice. Up-holding human dignity and driving society forward require morality to be unified on the basis of theory and practice.

At present, China is making a great effort to develop its national economy and to realize the four modernizations. We must strive for the goal of economic development and moral transformation.

Individual and Corporate Mission

Alan R. Abels

Introduction

As the world lurches forward a new sense of personal and community potential emerges. New opportunities open up, not the least of which are in the field of economic development. Here personal growth is needed and can be great. Persons and communities are energized, resources are mobilized, great care and sacrifice is invested, entire lives and periods of history are shaped.

There is a danger in this, however, for if the opportunities are seen as entirely in the order of objects and values outside of us, if the impersonal laws of the market place rule, then persons can be sacrificed by others or even by themselves to impersonal laws or to objects. Thus, as the pace of economic development quickens and engages life ever more pervasively, it becomes essential to reflect upon our purposes in this field. Only if these are clear and freely chosen will this activity be truly free, fulfilling and creative.

What Is a Life Mission?

One's mission is what one is about as a person. It is one's calling: what one is called to do, to have, or to be. It is related to that which makes a person unique and special as a human; it is one's essence or that which makes one special. A mission is something that is given; it is a gift with which one finds oneself. This gift, in turn, must be given away in order to realize one's purpose in life.

Everyone has a calling or a reason for being. Traditionally a "calling" is a term applied to the clergy; thirty years ago people used to say that they were called to become a priest or a minister; it was a call by God to do to his work. But every human being has a magnificence, every human being is special, every human being has a gift they find themselves with and which must be expressed in order to find meaning in life.

For example, an individual may grow up with a love for teaching and a love for history. One may have a love for the past as a condition for the future. Great historical figures like Napoleon, Churchill and Lincoln inspire them. They love reading about history and explaining it to other people. Their gift is a love of history and of teaching. They could very well have a mission to be a professor of history at a university: they would have a passion for making history come alive in their students' lives.

Other persons may grow up with a love for music. They feel truly inspired playing the piano and making the piano come alive for themselves and for others; they are born with a musical inclination and feel this. Their mission could very well be to perform for people, sharing their gift of music with others. Music is their gift and they feel fully alive and passionate when they are sharing this gift of music with other people.

Charles Garfield writes in his book *Peak Performance*, peak performers are motivated by a deep sense of mission. For example, Yuri Vlasov, the Russian weight-lifter who, when asked about his mission in sports spoke of the intense personal delight during the peak of what he called a

"victorious effort". "There is no more precious moment in life than this and you will work very hard for years to experience it again."

Dr. Brand Blanchard, the eminent humanistic philosopher stated, "There is no one meaning in life. No two lives have the same value. The richness of a life is not so much related to the happiness achieved, but to finding out who one is, that is, one's unique combination of powers, and through a process of experience and re-reflection one finds the course of life that will enable one to fulfill those powers most completely.

A mission can be to paint like Picasso, to teach hockey skills like Roger Neilson. Mother Teresa's mission is to take care of the poorest of the poor. Brain Tracey's mission is to help people perform their best. D. Hammarskjold, the former secretary general of the United Nations, had a mission as an international negotiator.

A mission does not have to be sublime. One's mission can be to take care of a garden like Jim McMartin. It can be to play and teach golf like Bob Coffey or to be a mother and housewife like Amy Spitzmiller. A mission can be to help people plan their finances like Peter O'Keefe, or to provide the best power trans-mission sales and service like Jack Neal.

Ways to Find One's Individual Life Mission

What Do You Love To Do?

The first clue for discovering one's life mission is to pay attention to those things that one loves to do. For what do you really have a passion; what most enjoy doing; what do you feel drawn to? What activities give you the most satisfaction and inner peace; what do you most love to do? In this case, love is feeling, and how one feels about doing a particular activity relates to whether it could be part of one's life mission.

Jim was the head of the trust department of a major bank in Buffalo, New York, and now has his own business as an investment advisor. He is excellent in this work, but also is very drawn to the outdoors and his garden, for which he has a passion. When Jim and his wife entertain friends, he loves to talk about different plants and how wonderful it is to be able to have a garden, but until he really thought about it he did not realize that creating beauty through nature was part of his purpose in life.

What Are You Good At?

A second clue to discovering your life mission is to pay attention to what you are good at. What have other people told you that you are good at; where have you excelled in the past -- in sports, entertaining, business, relationships, teaching, problem solving, leading, managing? What kinds of activities give you the greatest feelings of success?

Robert Allen, the nationally famous proponent of the nothing down theory in the 1970s became famous through being able to buy real estate with no money down. He challenged a San Francisco newspaper saying that he could buy at least one property in 72 hours without using any of his own money. The paper accepted and he performed as he said he would. Robert Allen accumulated great wealth buying and leveraging real estate. After doing this for a number of years, he began to write, the first one book entitled *Nothing Down* and then another entitled *Creating Wealth*. Both these books became bestsellers and enabled him to become an instant national celebrity. Over the years he thought about his mission in life and discovered that it was not buying

property, but writing and informing other people about how to become self-sufficient. He is an excellent writer, but did not realize this until he had published two bestsellers. Only then did he discern that communicating through writing was an integral part of his life mission.

What Is Important To You?

A third clue to your life mission is what is important to you? What would you commit yourself to if money was not an object? If you had only one year to live what would you have to accomplish in order for your life to be meaningful? What do you stand for? What would you be willing to sacrifice? What has caused you to make great sacrifices in the past? What would you be willing to risk your life for?

Mark Goldman was a college professor in the State University of New York and also a writer. He began writing about the city of Buffalo. His first book, *High Hopes*, is about the rise and fall of the city from 1900 to 1945. Recently he published a second book, *City on the Lake*, which is about Buffalo from 1945 to the present. He continues to teach while he was writing these two books, but, reflecting on what is important to him, he concluded that "it is to inform people about their city through writing and experience." After he completed *City on the Lake*, he began to implement his writings. He bought a complex in the downtown area, the Calumet Arts Center, and completely renovated it into a place in which people from all over the city can gather. The Calumet has a fine dining room, an Irish Theater, an Art Gallery, and features music each week. He has also started a tour business whose purpose is to inform people about the city. Both his writing and the Calumet Arts Center are related to what is important to Mark.

What Are You Born To Do?

A fourth clue is what are you born to do; what is your unique purpose in life? Where can you make a difference; where can you contribute? What is your niche; what unique opportunities have been placed in your path? George Campos has been interested in photography all his life. When George graduated from college with a degree in economics, he opened a photography studio and began to take pictures for a living. He photographed weddings, did individual and family portraits, as well as pictures of the out-standing works of architecture in the city. After a few years, George decided to open a photograph laboratory where other photographers could rent dark room space and develop their own pictures. Campos Photography Center has become one of the largest photography companies in the area. George has recently begun to help other corporations develop images around their heritage, values and their future. George's unique purpose in life is to help others develop their imagination through reflecting back to them images of what they see.

Susan graduated from a university about six years ago with a degree in economics. Her mission is not as evident as some of the others, much more subtle and symbolic. She likes to provide people with space and does not push her personal agenda on people. Nevertheless, she brings others a particular way of being that has a profound influence upon them: she brings a unique sense of mystery, wisdom and yielding to others. Her presence has a tendency to raise others' level of energy. She teaches people through her presence the meaning of intention and desire, and the value of going with the flow of life. Susan pays attention to what happens rather than pushing and trying to make things happen. Her presence and her way of being is a living symbol of the power of reconnecting with the absolute mystery that we all are.

Corporate Missions

Mission also has been an integral part of the business world, and businesses long have developed mission statements. A business is a group of people gathered together for a specific purpose or mission. Each individual contributes to the mission of the business; each individual has a uniqueness that he or she brings to a fully functioning organization.

Ideally, the purpose of a business is a function of the people or the community. In an ideal situation each individual is irreplaceable for each in his or her uniqueness makes an irreplaceable contribution to the purpose of the business. When someone is replaced the true purpose of the business is also altered, for a fully functioning business is a true community. The individuals who function in this community find meaning to the extent that they participate in or put their stamp of uniqueness upon it.

Victor Frankle in his book, *The Doctor and The Soul*, states:

In a mosaic, similarly, every particle, every individual piece of stone is incomplete, imperfect as it were in form and color; its meaning follows only from its use in the whole. If each of the tesserae contained the whole -- like a miniature -- each could be replaced by any of the others. A crystal may be perfect in its form, but for that very reason it is replaceable by any other specimen of the same crystal form.

The more highly differentiated a person is, the less he resembles the norm taken both in the sense of average and in the sense of ideal. At the price of normality or, as the case may be, ideally, he had bought his individuality. The significance of such individuality, the meaning of human personality, is a value only in relation to the whole of the mosaic, so the uniqueness of the human personality finds its meaning entirely in its role in an integral whole. Thus the meaning of the human person as a personality points beyond its own limits toward community; in being directed toward community, the meaning of the individual transcends itself.

But as individual existence not only must have community in order to become meaningful, the community needs the individual existence in order for it itself to have meaning. Therein lies an essential distinction between community and the mere mass. Far from providing a frame of reference for the individual existence, the mass does not tolerate individuality. If the relationship of the individual to the community may be compared with that of a tessera to the whole mosaic, then the relationship of the individual to the mass may be equated with that of a standardized paving stone to the uniform gray pavement: every stone is cut to the same size and shape and may be replaced by any other; none has qualitative importance for the whole. And the pavement itself is not really an integral whole, merely a magnitude. The uniform pavement also does not have the aesthetic value of a mosaic; it possesses only utilitarian value--just as the mass submerges the dignity and value of men and extracts only their utility." (1952, p.70)

How Corporations Develop Their Mission?

Seeing Where You Go

The first step in developing a mission statement is a matter of seeing and feeling. It is intuitively sensing who you are and where you want to go; this is paying attention to that still small voice within. You feel something that you want passionately; you desire it more than anything

else. The feeling is then changed into language that raises your energy and that of everyone else in the organization.

Great accomplishment is always the result of vision and action plans. The relationship between the vision and action steps is the essence of peak performance. A marketing strategy, a new sales prospect, and a product design, often come as flashes. The challenge then is to analyze these flashes and devise the steps that will make use of them.

Developing a mission therefore means having a feeling or sense of how things fit together, thinking about this, and then translating one's feelings into words.

Excellent companies and outstanding persons always keep the vision alive. Once they develop their purpose they create visuals that reflect this purpose and surround themselves and the other people in the organization with them. The company president is photographed with other great men in industry. This provides him with a continual subliminal reminder that he is an industrial magnet. The ideal customers of the company are photographed and put up on the walls so that everyone is reminded that these represent the quality of customers that the company desires and intends to have in the future. The Erie and Niagara Insurance Association recently created an exhibit that reflected their heritage, the history of the organization, the values they stand for and their future. The brochure and the exhibit displayed four images and some text which expresses this to their employees and their customers.

Warren Bennis, one of the nation's leading management theorists, says that images often give missions their inspiring power: "It is the imagery that creates the understanding".

Aligning Mission: Individual and Corporation

In recent years America has developed very few heroes from business. Most have been from sports, science, the performing arts and the military. The uniqueness of the individual was subordinated to the organization. In 1955 Sloan Wilson's *The Man the Gray Flannel Suit* made Madison Avenue a symbol of inhuman competition.

Now entrepreneurs are the new stars who refuse to submit to the old image of the organization. They see the company and its members working together to recreate one another. They see the importance of realizing their own purpose through the corporate purpose. In a way the corporation becomes a community, which Frankle describes as a place where the individuals find meaning in their life through contributing their uniqueness to the whole.

Alignment is the key to "standing out while standing in". This occurs when individuals perceive that contributing to an organization produces direct contributions to their personal mission. The more opportunities a corporation gives its members to align their personal missions with its own, the more likely it will succeed.

Minnesota Mining and Manufacturing continues to be one of the most admired companies in the United States. It regularly comes up with new products, and it is a company policy to measure the results of being innovative and to require it. At least 25 percent of sales in every 3M division each year must come from products introduced within the last five years.

Peak performers are not like the "Man in the Gray Flannel Suit", they do not give up their identity for that of the organization, but transcend it: who they are is linked with the purpose of the organization.

Formulating a Corporate Mission

Drawing from One's History

In developing a mission statement it is important to pay attention to one's history. What made the company great in the past? Why was the company born? How was it initially successful? Who were its creators? For what purpose did the people come together to create the organization? What were their gifts? What were some of the past successes of the company? Answers to these questions provide ideas regarding the purpose of the organization.

Nightingale Conant is an example of a company that was developed from past successes. Earl Nightingale was a teacher, writer and broadcaster. He published the largest selling self improvement record ever produced, entitled "The Strangest Secret." The secret is that people become what they think about. Earl Nightingale wanted to teach, write about and broadcast what made people successful. When audio cassettes and cassette players became common in the 1960s, Earl Nightingale and Lloyd Conant realized they had the technology to send the message "The Strangest Secret" throughout the world. Drawing on the successes of the past, Earl Nightingale put other inspiring messages on tape and distributed them worldwide. In time Nightingale Conant became the largest distributor of tape cassettes in the United States.

Being Pulled by Meaning and Values

The purpose of a company is not survival, nor is the purpose of the world's best organizations to make money at any cost. The purpose of a peak performing organization is directly related to the meaning that people in the organization experience through the special value that organization adds to its customers or clients.

Excellence is always related to gifts with which one finds oneself. They are not earned or merited, but are abilities and talents that a person or group of people find in themselves and bring to everything they do. Gifts make both an individual and an organization special. In an excellent organization, the gifts that the employees bring to the organization are aligned with its purpose. Excellence allows each individual in an organization to contribute his or her gifts as a reflection of its purpose or reason for being. Each individual finds personal meaning and value in an excellent company because the structure of the company fosters participation. The organization fosters an atmosphere that is both creative and inspiring for its employees, who in turn find personal meaning through putting their personalities into the value they are providing to the customers.

Victor Frankle gives an example of how a doctor finds meaning in his work in his book *The Doctor and The Soul*. He states:

What is really a doctor's condition? What gives meaning to his activities? Practicing all of the arts of medicine? To practice the arts of medicine is not to practice the art of medicine. The medical profession merely provides a framework wherein the doctor finds continual opportunities to fulfill himself through the personal exercise of professional skill. The meaning of the doctor's work lies in what he does beyond his purely medical duties. It is what he brings to his work as personality, as a human being, which gives the doctor his peculiar role. For it would come to the same thing whether he or a colleague gave injections, etc., if he were merely practicing the arts of medicine, merely using the tricks of the trade. Only when he goes beyond the limits of purely professional service, beyond the tricks of the trade, does he begin that truly personal work that is alone fulfilling.

What Frankle is saying is that work provides people with the opportunity to value creatively. Work provides people with the opportunity to participate fully, as a whole being, in an activity. Work provides the opportunity to put one's stamp of uniqueness on an activity through doing it in one's own special way. Going beyond practicing the arts of medicine through participation in the activity enables a person to find meaning through unconcealing levels of his being that once were hidden from him. The process of being recreated and creating is one and the same thing. An excellent way to measure whether one is fully participating in an activity is whether one is simultaneously experiencing the bliss of personal recreation. To the extent that a person is recreated or sees and feels elements of himself that were once hidden from him, he is also creating. He or she is putting his or her special stamp on what-ever activity in which he or she is involved. In exercising values that are creative one sees oneself and the world in a different way. In a sense a person becomes one with the world in which one finds oneself.

Seeing the Future

Once a company knows its reason for being, the common vision of the members of the company provides the vision of the organization. Where is the company going to be in the next six years and what does that look like? Can you see it? Can you describe it in precise language? Is it clear to everyone involved? Does one see the company entering international markets? Is the firm seeking to acquire other firms in the same marketplace? Vision is a critical element in business, because without vision the business will perish. Vision is related directly to making a positive difference in people's lives. How is the purpose of an organization going to look in the future; in what ways will the firm be able to make a larger difference in the marketplace through adding value to its customers?

Claude Bristol the author of the classic work, *The Magic of Believing*, stated:

I have been in the private offices of a great many industrial leaders, business men, and bankers. And long before I understood the science of belief, I was impressed with the pictures, photographs, slogans, and bits of statuary to be found in the inner sanctums of great firms. In the office of the head of a great utility concern hung photographs of the industry's early leaders. In another office were pictures of the great financiers of history.

Bristol continues about the reason for the pictures:

There can only be one answer: that they serve as constant reminders -- getting the picture across to the occupant of the room that he can succeed as did those before him. Every time that he looks around the room, a motto or a slogan meets his gaze. He sees the eyes of Napoleon upon him when he sits at his desk. When one realizes that the subconscious works accurately to externalize whatever suggestion is most impressed upon it, one then understands the need for concentrating and constantly repeating one single suggestion.

Bristol is emphasizing that great leaders use the images of other great men to provide their subconscious mind with an image of where they want to be and what they want to achieve. Pictures have a very powerful influence on the subconscious.

Vision is also a gift. It is something with which people in a firm that is "on purpose" find themselves. Vision cannot be sought directly -- one can not force vision nor can one make vision

happen -- but one can create a climate within the organization that will allow it to happen. All of a sudden the people in the firm begin to see the future. To the extent that one sees it, one is already there: vision is the gift of being there already.

Rich Products Corporation is a food services corporation in Buffalo, New York. Their mission is to be a dynamic, growth-oriented company on a world-class mission. This is to set new standards of excellence in customer satisfaction and to achieve new levels of competitive success in every category of business in which they operate. Rich Products has engaged in a program entitled "Mission World Class" which is designed to create a vision of Rich Products as being a world class company. This program is related to preparing the company for the year 2000. Their strategy is as follows:

1. Impress their customers through being impressed by them and providing excellent service.
2. Improve, improve, improve! They continually look for ways to make better the quality and value of the services they provide.
3. Empower people. The desire to unleash the talents of their associates by creating an environment that is safe, that recognizes and rewards their achievements, and that encourages their participation and growth
4. Work smarter, simplify the job and eliminate waste
5. Do the right thing! They desire to maintain the highest standards of integrity and ethical conduct, and to behave as good citizens in the community.

"Mission World Class" is designed to create a climate within the organization that will allow this vision to occur. The program involves educating employees about what a world class organization looks like and exposing them to how other peak performing corporations function. The purpose of the program is to create the environment of a world class firm through listening to experts in this area, discussing how a world class organization would function, looking at other firms that are considered to be world class, and creating benchmarks to become a world class firm.

Images of Corporate Missions

In consulting work one encourages both individuals and corporations to select images that reflect their unique mission in life and to put them on their office walls. One recent client, Erie and Niagara Insurance Association, decided to select four images which reflected their mission as an insurance firm. The first image, entitled "Our Origins", is an image of a barn being struck by lightning. Its purpose is to show the main reason Erie and Niagara was formed as an insurance company by a group of farmers who came together to insure one another losses. The second image, entitled "For Without The Agent, We Do Not Exist", shows agents both past and present. The message is that Erie and Niagara is committed to providing the best service possible to their independent agents. The third image, entitled "Stewards Of The Company", shows images of employees and relates to the core values of the company: commitment, service and excellence. Erie and Niagara Insurance Association's mission is "to provide our policyholders and agents with quality products and service in a timely fashion -- serving their needs while meeting our contractual obligations -- and building a stable, profitable business organization supported by quality people who share our commitment to excellence!" The fourth image, entitled "Beyond the Horizon", reflects the future of the company. It is a symbolic statement that the future of the organization is very bright and sunny as it continues to grow toward the year 2000. The primary reason for the

exhibit is to help create an atmosphere of community within the company. The exhibit serves as a continual reminder to the employees of their roots, the values they represent as an insurance company and their future.

A good example of a company with a positive mission is IBM. Its mission is:

1. respect for the individual
2. quality customer service
3. excellence

IBM is noted for its customer service. When people buy computer hardware and software from IBM they are buying not just hardware, but reliability and service, the values for which the corporation stands. Many computer companies sell the same products as IBM and with more competitive pricing. Nevertheless, people continue to buy from IBM because they are buying not just the product, but the fact that over the years IBM products have been very reliable and that the company will stand by their products if there is a problem. They are buying the values that IBM reflects as corporation, knowing that IBM values each individual client, that it is committed to providing the best service in the world and to being excellent. IBM wants to be the best, and people buy the values of respect, service and excellence for which IBM stands.

Becoming a Magnet

Companies and individuals who are "on purpose" learn how to attract good to themselves. Such an organization becomes a magnet attracting those things that are consistent with its magnificence. Magnificence exudes an energy that magnetizes; organizations and individuals that are in touch with their magnificence become magnets. They magnetize those things that are consistent with who they are and draw to themselves that for which they feel they are here. The things they need to carry out their mission will come once the common vision is present.

The first step in becoming a magnet is to connect with your desire: to know what you want. Magnetism uses an indirect approach to attract things and people. It is a natural process and flows from being "on purpose". This involves using intention and desire, for to become a magnet one must have a passion for something. Accordingly, the more in touch one or a company is with their reason for being, the more magnetic will be the individual or the company.

The second step is to focus on what you want, that is, to think about it and see it as already there. Focusing is visualizing, having a vision or being visionary. Visualizing involves seeing in your mind's eye that you already have arrived, that you are already there. This is not only seeing, but is also a feeling one has when one knows one has arrived. This occurs first in the mind and is what is meant by magnetism. The feeling which occurs simultaneously with positive energy creates magnetism, which is an opening of one's entire mind, body, and spirit which draws to one what he or she desires. It is being open and has the effect of drawing to oneself what one needs to accomplish one's purpose. This occurs automatically when one is "on purpose".

The third step is to surrender to the process and to trust your source. Like a clerk who serves a customer, you must indicate what you desire through connecting with it and thinking about it. Once your source knows what you desire, it will develop the best path for bringing it to you. Your source needs your vision, and when it re-cognizes what you want it needs your consent in order to bring it to you. Once you give your consent you must give up control and detach yourself from the

process. Trusting your source means precisely turning over the management of the process; being detached from the outcome is critical in turning over management of the process to your source.

The fourth step in becoming a magnet is that to use less is more. In all mental activity the less one tries, the more will be accomplished. Mental work involves giving up control so that you feel that you are in neutral or not driving hard. To the extent that you are true to your reason for being, purposeful activity and accomplishment will flow automatically and will take care of itself. You do not have to push or go against the flow to accomplish things because you already are "on purpose": you are already acting in a way that is consistent with who you are as a human being. When you are "on purpose", you are in touch with your magnificence and mystery. You realize that you are a masterpiece already which can never be replaced. Anything added cannot improve upon who you are, but will tend only to conceal the fullness of your significance for it will have a tendency to confuse and cloud your true purpose as an irreplaceable, magnificent human being.

The final step is simply to pay attention to the results you are getting, but not to judge them. In sum, connect to your desire, focus on what you want, trust your source, use less is more and then pay attention to what is happening. Take time to "smell the flowers" and enjoy all of the wonderful things that are here for you to experience.

Conclusion

Every individual and every organization has a special purpose or a unique mission. It lies within and is based on one's reason for being. We are responsible for finding out what it is and giving it back to the world. It is through giving away the gifts we have been given that we find meaning in our lives.

18.

Moral Development and Economic Ethics

Richard A. Graham

Let us begin with the assumption that rapid economic development poses a threat to traditional cultural values and to generally accepted norms of morality. Let us go on by asking whether economic development can be achieved in a way that is conducive to greater harmony in the lives of individuals and society. Here greater harmony is understood in the sense that harmony is "agreement in feeling, action, ideas, interests, etc., peaceable or friendly relations." (*Webster's New World Dictionary*).

What can be done to preserve the best of traditional values but not others? In practice can this good be separated from the bad so as to achieve a kind of moral development both for society and for individuals.

Here I would advance and defend four propositions most are drawn from psychology and political science, more particularly from research at the Kohlberg Center for Moral Development at Harvard University. This includes studies on how an individual and a society develop successive concepts of justice which trace the development of the moral judgments which actually prevail for individuals and societies.

This chapter also will draw selectively upon moral philosophy for a growing consensus on what moral judgments individuals and societies ought to make. More particularly, it will examine what appears to be a growing consensus among the people and nations of the world on what constitutes justice. In tracing this developing sense of justice, it will draw upon the work of, Lawrence Kohlberg and, in particular, upon his "From Is to Ought: How to Commit the Naturalistic Fallacy and Get Away With It". It will draw also on several judgments, from G. E. Moore to William Frankena, on whether there is philosophical justification for the tendency in many societies to commit the naturalistic fallacy, that is, to conclude, on the basis of cultural tradition and group identity, that what has been, and is now, ought to be.

Statement of the Propositions

PROPOSITION 1) Rapid economic development often has pernicious effects. It tends to establish new sources of power and authority which, for most people in most societies, tends to weaken existing power and authority including the authority of cultural values and tradition and the authority of one's own self.

PROPOSITION 2) The ends of economic development and the preservation of cultural values in a society are, or ought to be, much the same: both should be directed to achieving greater justice and harmony.

PROPOSITION 3) The means to economic development and moral development -- to the preservation and improvement of cultural and moral values -- are much the same. Both are achieved through the development of better judgment and greater creativity on the part of individuals.

PROPOSITION 4) There is a natural tendency, in the development of individuals and societies, to tend toward a harmony of thought and feeling, of interests and action.

In Defense of the Propositions:

PROPOSITION 1: Rapid economic development often has pernicious effects.

For most people in societies, one's sense of justice and one's sense of self come mostly from society, from one's family and associations. For most people, by later childhood, justice has come to be defined by custom, tradition, and the opinions of one's associates, while one's self is defined largely by one's role and standing in society.

Greatly simplified, the longitudinal studies conducted at the Harvard Center for Moral Development indicate that there is a universal human tendency to progress in an invariant sequence through a series of well-defined stages of reasoning regarding what is right and just. This begins in childhood with a first stage of reasoning where "might makes right," then progresses to a second stage where justice is equal exchange, good for good, bad for bad, and then to a third where what is right is what the tradition and conventions of the group to which one belongs hold to be right. Cross-sectional studies in over 50 societies throughout the world establish this as the thinking of most adults in most countries. But most well educated people who have had complex responsibilities in a modern society progress to a fourth stage that can be thought of as civic reasoning. It produces a sense of justice that is based upon an implied social contract to uphold the laws of one's country; it is, in effect, the right thinking upon which the maintenance of a democracy depends. A small part of a society -- generally not more than 20% of the citizenry in an advanced society, and much fewer in a primitive society -- respect laws that foster a stable productive society, but give primary allegiance to the principles of justice upon which most advanced societies ostensibly are based.

It cannot be emphasized enough that throughout this stage-by-stage development of reason one's stock of thoughts and experiences is not supplanted as one stage is succeeded by another. The processes of reason are reorganized, but the content of reason remains much the same. One's cultural traditions are not replaced; one's sense of identity still depends primarily upon one's roots, even though a broader sense of identity is formed and a more universal concept of justice is developed.

For most people, a rapid change in one's society requires an equally rapid, and often unsettling, change in one's self-concept. An explanation can be found in the evidence that the fundamental force for all living things is self-preservation. This applies to all living things, including both the vegetable and animal; it is in combination with this force that random genetic variability produces the adaptability and progress of species. For humans, this force for self-preservation is manifested as a drive, from infancy until death, to establish and preserve the self, a process which involves a search for understanding one's place in the cosmos or one's relationship to God.

PROPOSITION 2: The ends of economic development and of the preservation and improvement of cultural values ought to be the same: to seek greater justice and harmony.

The end of economic development for a society is, or ought to be, greater social justice; greater equality of opportunity for greater numbers for a better life. The end of shared cultural values and the improvement theirs is the same. Its end is justice in which an individual's claim to equal rights and opportunities imposes the obligation to honor claims to these same rights and opportunities by

all others. But, while justice is the measure of moral development for a society, the moral development of an individual requires more: both justice and compassion, where compassion encompasses kindness, sympathy and beneficence.

PROPOSITION 3: The means to economic development and to the improvement of cultural and moral values are much the same.

An American effort to foster economic development may provide an example. In its efforts to help schools and businesses develop a more productive work force, the United States Department of Labor attempted to define the skills needed for every kind of job in America. In the Dictionary of Occupational Titles, the requirements for each job were classified according to the level of skills needed to deal with persons, with data, and with things such as machine tools or laboratory equipment. What seemed clear from this effort was that the higher level and more responsible the jobs required a higher level of abstract thought -- the ability to conceive the interaction of several factors at the same time -- which was about the same whether it applied to persons, data or things. Indeed, many top executives concluded that experience with a broad variety of responsibilities and a liberal education which, through literature and history, provides vicarious opportunities for taking the viewpoints of others, constitutes the kind of preparation that promotes the development of abstract reasoning and hence provides better preparation for creativity and for management than does a narrow technical education. And it is a broad liberal education, plus broad experience with responsibility, that appears to foster moral development as well. For a highly developed sense of justice requires the ability to understand the reasoning of many others and the quality of kindness involves a predisposition to share the feelings of others.

In all the studies that were conducted in several dozen societies by the associates of the Center for Moral Development, individuals first developed a capacity for abstract thought as it applied to things and to data, and only later as it applied to the capacity to take the perspectives of others. Only after that were they able to reach an equilibrium of judgment in which the justice one seeks for oneself is viewed as the justice that is due all others.

PROPOSITION 4: There is a natural tendency in the development of individuals and societies to approach harmony, particularly. As it involves concern for the rights of others. The research cited above is quite clear that the tendency of an individual is toward an equilibrium on the part of reasoning in which one's rights and responsibilities become much the same. But only about 20 percent of the adult population of a well-educated society reaches this harmony of reason. Most of the adult population of a modern society sees justice defined by the laws of their religion or state or by what is good for the group to which they belong -- their nation, tribe, or ethnic group. Fewer still reach harmony of reason in village communities though they may achieve a stable harmony of feeling, interests, and action with fellow members of their tribe or ethnic group. It is a harmony consistent with Aristotle's *Nicomachean Ethics* in which he says that, "in our relation to our kinsfolk, our fellow-tribesmen, our fellow-citizens, and all other people, we should do our best to render them their due, and to estimate their claims by considering the nearness of their connection with us and their character, or the services they have done us."

As individuals progress in moral development it appears that the harmony is extended. The sense of "nearness of their connection" extends toward others of different races or ethnicities or nationalities. There is a greater ability to share feelings, ideas, and interests and to take action that is consistent therewith. As more members of a group or nation develop this broader and more equilibrated sense of justice, the group or nation becomes more disposed to agreement in feeling

and ideas with outsiders. Although the evidence is rather clear that not many individuals in the world's populations have developed the reasoning that underlies the International Bill of Human Rights, increasing numbers of leaders of the world's modern nations either share this reasoning or find it expedient to profess it. The covenants of the International Bill have come to establish a standard for justice against which the actions of nations can be judged and held to account, both by other nations and, perhaps more importantly, by their own citizens.

The moral development of nations has not been widely studied, though Leonard T. Hobhouse and several recent studies have attempted it. This work has not had much of an audience, largely, I think, because there is not much agreement between philosophers or nations on what constitutes moral development and hence little confidence that the moral development of a nation can be measured in a useful way. For many, the International Bill for Human Rights represents a false universality because unrealistic and hence impractical, for the actions it calls for often clash with national interests or the self-interests of nationalities or ethnic groups.

Still the balanced reasoning about justice that underlies the International Bill of Rights provides a partial and insufficient standard for determining which of a society's cultural values are good and ought to be preserved, and which are not. It is an insufficient standard because many, perhaps most, cultural and religious values go beyond justice. Much of the cultural tradition fosters harmony of feeling through its epics, parables, legends, fables, history and fiction as models for kindness, perseverance, fidelity, sympathy and love that go beyond justice. And, though Socrates thought that "there is but one virtue and its name is justice," many, perhaps most, philosophers would agree with David Hume, Adam Smith, and others that for an individual -- though not for a state -- sympathy ranks higher than justice.

Thus, it may be said that cultural traditions are not good in themselves; they are good and worthy of preservation only to the extent that they foster justice for all, or love, sympathy and compassion for all, or provide a sense of self or group-identity that sustains these values.

The predictions of Marx and Engels on the prospects for further technical and moral development of human beings seem to be supported by the findings of research in dozens of societies from the most primitive to the most technologically advanced. Marx and Engels believed that social equality along with educational opportunity for all would foster human development at a rate that would permit the State to quickly wither away. But the founders of the United States, while agreeing that "If men were angels, governments would not be needed", but they assumed that for the foreseeable future men would continue to be driven by fame and fortune and that it was safer to assume that they would be factious and rapacious. They believed, however, that the competition of opposing factions in society, along with a balance of the powers of the executive, legislative and judicial branches of government, would better assure liberty and justice than government impositions to prohibit faction.

It seems that some idea of the maximum rate at which harmony can be approached in a society could be derived from an analysis of the research in several dozen societies. This indicates a relationship between the conditions under which the life of individuals -- including their education and experiences with responsibility -- and the rate at which they actually progress toward an equilibrated sense of justice. That is, a sense of justice which requires that what they want as fairness for themselves involves a responsibility to see that it is assured for all. These rates of progress for individuals can be joined with analysis of the rates at which various societies have actually moved from a prevailing standard of justice based upon raw power or "an eye for an eye; a tooth for a tooth" toward justice based upon "equal rights and opportunities for all." The results

provide at least room for conjecture about the rates of progress that might be anticipated for various kinds of societies in the future.

Though the rate of technical and moral progress may be uncertain for any society, for thousands of years human judgment has progressed step by step, stage by stage. Though it has not progressed in all societies nor with all individuals in any society, and there have been reversals in all societies, progress is unmistakable. There is no reason not to expect it to continue; rather, such progress can be expected because of the fundamental life force striving for the preservation of individual and society, which for humans manifests itself in a search for greater understanding.

The Value of These Propositions

The leaders of a country undergoing rapid economic development might say something like this about these propositions:

"Yes we agree with Proposition 1 but we are not sure about the others. Even if there is some truth to them, how can they help us? How can they help our ministers and legislators, our teachers and our parents to make this a better society?"

One might reply, "There are two ways the propositions can provide insights for economic and moral development. First, a rapidly developing society must do more to assure the transmission of the best of its cultural values through families and through opportunities for young people to belong to a succession of groups that hold to these values. Cultural values may be transmitted through religious faith, or secular reason, or a combination of the two in which faith sustains the person and developing reason undergirds justice. Second, a modern society must be founded upon principles of justice that are well stated in "The International Bill of Human Rights" with its "Universal Declaration of Human Rights", its "Covenant on Civil and Political Rights", and its "Covenant on Economic, Social and Cultural Rights".

The leaders might object, "we cannot afford greater expenditures for parental assistance or youth opportunities. And we are not yet ready for universal covenants on human rights; not if they clash with our cultural traditions, and our traditional separation of roles for men and women, for example."

One might reply, "Rigorous cost-benefit analysis shows that, in the United States for example, it costs less to provide certain kinds of help to parents and to youth than not to provide it. The costs of crime and incarceration and of counter-productive lives is greater than the costs of the programs. The economic benefits from more productive lives covers much of the cost. As for human rights, a society that does not stand for them cannot stand for much less."

Environmental Problems and Ecological Ethics

Wang Miaoyang

From a philosophical perspective three relations need to be adjusted after industrialization in the economic development of a society. These relations are between persons, between persons and nature, and between humanity and oneself. This paper will analyze the relation between people and nature. It will attempt to demonstrate the dual character of the change humankind works in nature in the course of modernization. Humans constantly attempt to conquer nature, but at same time nature takes its revenge. Therefore the study of ethical relations between humans must be extended to the study of the relation between persons and nature. For establishing a modern ecological ethics, there is not much that is of use in Western traditional philosophy, but we can find many relevant and valuable thoughts in Chinese traditional philosophy. It necessary therefore to dig out and study these treasures in order to establish modern ecological ethics against the background of modern science and on the basis of ancient philosophy with a view to creating a bright future for the 21st century.

The Danger and the Rise of Concern

Since the early days of the modern industrial society progress in science and technology has given to mankind the ability to change and enhance nature at a wondrously rapid rate. The economic development of human society also has far exceeded expectation. However, along with these achievements the side-effects become more and more serious. Over one hundred years ago, when people were intoxicated with their great achievement in conquering nature, F. Engels, with keen foresight, warned that we should not indulge ourselves in our victories over nature because, for every such victory nature takes its revenge. In the first step anticipated results are achieved, but at second and third step entirely different and unexpected effects appear, which very often offset the gains: "The forests and prairies of barbaric times have been turned into deserts during this civilized age." In many areas around the world, economic development and industrialization have deteriorated the environment and upset the ecological balance. This not only checks farther economic prosperity, but also threatens our very safety.

The frequent accidents which have polluted the environmental during the second half of the 20th century, reflections by philosophers, warnings from scientists, predictions by futurologists, and gatherings of politicians, all have prompted an investigation of the good and bad effects of the new level of the conquest of nature. This has caused a new awakening of concern for environmental protection, and has induced a new effort to protect the natural environment in various parts of the world. The British philosopher, Aldo Leopold, published his work, *The Ethics of Earth*, in 1949 at Oxford University. He pointed out in the book: "Formerly, we mistreated the earth because we regarded it as one of our commodities. Only when we understood that earth is a kind of community we belong to did we begin to respect and take good care of it." He appealed for early attention to environmental protection of the harmony between man and earth, for to regret what has been lost is useless. This work can be ranked as one of classics of Western environmental ethics and Leopold is regarded as the founding father of ecology and environmental protection in the West.

The French philosopher and 1952 Nobel Peace Prize winner, Albert Schweitzer, in summarizing the lesson of the ecological crisis, suggested a study of the moral criterion for human action upon nature. He believed an ethical theory to be imperfect if it did not include such a norm. Because he was one of the first persons to extend the study of moral behavior from the field of humans to the interaction between people and nature he has been known widely as another of the founding fathers of ecological or environmental ethics.

In the 50's, after world war II, Eastern and Western nations were busy with economic reconstruction. Great attention was given to this, especially to industrial expansion so that the environmental pollution began to appear. In 1962, an American woman, Carson in *Silent Spring* described vividly the miserable situation of nature due to ecological damage and environmental pollution. Birds sing no more, and rivers have lost their former vitality. "We are now standing at a cross-road." One road, though easy, leads to disaster; the other, looking strange, the title page, the famous words of Albert Schweitzer are cited: "Man has lost his capability both to predict the future and to prevent possible accidents." He will put an end to himself in the course of destroying the earth. This book was still being highly praised after 25 years, when a new edition was issued.

Since the 70's more scientists, economists and entrepreneurs began to discuss the difficult situation of the present and future, including environmental pollution and the ecological crisis. In 1968, an international symposium attended by 30 specialists from 10 countries of Asia and the West was held at the Italian Academy to discuss the present environmental situation. This was the first international symposium on the ecological crisis. Owing to this symposium, an international non-official academic organization called the Club of Rome was instituted and joined by some 100 scholars from over 40 countries. They produced more than 40 special reports, of which the most famous is *The Limits of Growth* written by 17 scientists. The report's most famous conclusion is that only by adhering to a zero-growth policy (that is, to stop the increase of population and of the economy) can a global balance be maintained and the present crisis survived. Of course, the report was attacked by some, but many have taken the same viewpoint. For instance, the research thesis "Global 2000 A.D." comes to the conclusion that if the environment changes at the present rate until the 21st century, the world will be more crowded, pollution more serious and the ecology more unstable and susceptible to damage. Another report is *There is already a Globe* which was to provide background material for the U.N. conference on the human environment of 1972. It was completed with the help of 152 specialists from 58 countries with the subtitle: *The Care and Maintenance of a Small Planet*. With a broad vision the report reveals the cause of environmental pollution and the impairment of the global ecological system, namely, the biological circle we inherit and the technological circle we create have lost their balance and are in a latent state of acute conflict. We are facing an historical turning point which requires us to take good care of the earth on which we survive, to take responsibility for protecting the human environment and to learn prudently to administer our globe.

In the 80's our attention turned from local environmental contamination to global environmental damage, such as the green-house effect and damage to the ozone layer. Whether in developed or in developing countries, both people and their governments were involved in a broad discussion about saving the earth and mankind so that a new upsurge of environmental protection was initiated. Some argue that 1988 was the year of environmental protection. In that year, Gorbachev delivered a speech at the U.N. in which he mentioned the problem of environmental protection more than 20 times. George Bush claimed to be an environmentalist in his campaign for president. Mrs. Thatcher called for environmental protection in response to domestic political

opponents stating that environmental protection was a great and urgent challenge to humankind. She noted that a healthy economy and a healthy environment depended on each other and that it was worth while to invest a huge amount of money in environmental protection. In that year, even *Time* magazine broke its rule in selecting as its man of the year not an international celebrity but the injured globe in order to arouse the sense of the need to protect our globe. In the June of 1992, The U.N. Symposium on the Environment and Development was held in Rio de Janeiro as an international summit for saving the earth. The presidents of various states were present, and several accords on environmental protection were signed. The conflicts between humans and nature has become a worldwide focus and people are searching for ways to solve this crisis.

The issue of environment and ecology has then become a world wide problem drawing the attention of scholars in various fields as well as government officials. In order to save resources, protect the environment and improve the ecology, we should not only ameliorate productive modes and living behavior in dealing with the environment, but also transform the basic principles of our behavior. The sciences have made their own contribution to solving these problems from their special angles. In philosophy the problems of environment and ecology have challenged traditional ethics. Mankind needs to establish a new type of environmental and ecological ethics in order to renew ideas for protecting environment, improving the ecology and creating a new environmental and ecological ethics which will integrate the ethical ideas regarding humans and nature in Western and Chinese philosophies.

Philosophical Resources

In the West, the initiation and study of environmental and ecological ethics began earlier than in China, but in Western traditional philosophy there is very little that is useful to contemporary environmental protection. Though the study of environmental ethics in China has just begun, there are many resources in Chinese traditional philosophy for dealing with the present environmental problem.

Western Philosophical Resources

Western traditional philosophy as dualistic insists on the antagonisms between humans and nature, and between subjective cognition and the objective world. This kind of philosophy is favorable to the development of modern science and makes it easy for people to regard the objective world, nature and all things as objects to be understood and changed. On the other hand, the dualist tradition put too much emphasis on the antagonism and segregation of humans and nature, making the relation into one in which man attempts to overpower or subjugate nature. Ecological ethics, in contrast, wants to build congenial and harmonious relations between man and nature, turning the relation of subordination into one of partnership. Chinese traditional philosophy upholds a unity of humans and nature, attaching much importance to the harmony between the two.

In criticizing traditional philosophy Western scholars have suggested some primary ethical principles for the present. Aldous Huxley has even pointed out that modern humankind no longer views itself as a divinity able to do whatever it desires, as does a conqueror or tyrant. He also thought that if traditional ethics on the relation between humans and nature is to be talked about we need to return to Taoist School of ancient China.

What is the content of the basic theory of environmental ethics proposed by Western scholars?

1. Leopold suggests that the position of human beings in nature be rethought. Humans are not conquerors or rulers over nature, nor masters of nature, but only members of the large family of nature. No creature in nature is a slave of man or born for man, but all are equal members in this family. It is not sufficient to consider only the interests of humankind and take no care of ecological equilibrium; rather a new and more balanced ethics must be built. The right or wrong of human behavior should be evaluated against the broader background of nature, not the limited background of humanity; that is to say, the ideas of good and evil should be extended to the scope of nature. Any behavior favorable to keeping the integrity and stability of flora and fauna is right and good, otherwise it is wrong and evil. The idea of right should be extended as well from mankind to all entities in nature: all plants and animals have the right to breed and survive.

2. Schweizer suggests that ethics should have as a moral standard both man and nature, without this elementary ethical principle no adequate ethics can be formed. In summing up the lessons from the ecological crisis, he put forward the opinion that all life is the great creation of nature and should be respected with great care. It is arbitrary to divide life into high and low values, because up to now we know very well about the effects of various kinds of organisms in the life cycle. The idea of good should be expanded: any behavior caring for, protecting and developing life is good. The relation between man and nature should be a close and mutually appreciative as with an organism.

3. Kenneth E. Goodpaster in his work, *From Egoism to Environmentalism*, holds that the environmental problem is a huge crisis for the 21st century. He emphasizes that humankind must change its attitude from egoism and chauvinism towards nature.

4. In 1986, Prof. Paul Taylor of Princeton University published his work, *Respect for Nature*, with the subtitle *A Theory of Environmental Ethics*, in which he put forward a number of basic principles: the natural world as an interdependent system in which humans are members of the earth's life community. As every living entity is unique and cannot be replaced, therefore we must respect nature, respect life.

5. In 1988 Thomas Berry published *The Dream of Earth* which holds that humans and nature should co-exist in harmony so as to evolve peacefully on the earth a community for both. This is the promising way to future, as well as a dream of the earth. At the same year, Temple University published Holmston's master-piece, *Environments Ethics*, with a similar viewpoints.

To sum up, the main points are as follows:

1. Human, Earth and Nature make up an organic system of interdependence, or one world or commonwealth. Mankind is a member of the earth's life of community, expressed as a global village. According to an old Chinese saying, the members of a community should cross a river in the same boat, meaning that people in the same community should help each other.

2. Man and nature should constitute a partnership in which each depends on the other, helps each other, not a relation of conqueror and conquered or master and slave.

3. Natural things do not exist for man, but have their own internal objective. Humans must not substitute their own objectives for those of nature, but must respect nature, respect life.

4. It is necessary to overcome the idea of human egoism and to advocate that everything on earth is equal and in harmony. As Copernicus' astronomy disclosed that the earth is not the centre of the solar system, the contemporary ecological ethics tells us that humanity is not the center of the earth.

Chinese Philosophical Resources

In Chinese traditional philosophy there are a great many similarities to the main standpoint of modern ecological ethics. Ancient Chinese philosophy sees a unity of humans and nature, assuming that nature, humans and all things on earth are accessible to each other and hence unified. Thus the Confucian School claims that the man who knows nature is qualified as a Confucian disciple. The humanism of Confucianism did not reject nature; but sought a supreme state of unity of man and nature. believes that four things on earth are great: natural law, heaven, earth and humankind. The theory asserts that humanity is as great as nature, and that the two are interdependent.

Ancient Chinese philosophy holds that the whole of nature is infused with vitality: "Dao is present everywhere. Everywhere on earth, be it large or small, whether alike or lifeless, has a reason for existence. Therefore we should respect to life and nature and everything on earth should be treated equally.

The view that everything on earth contains is affirmed even more clearly and thoroughly in Buddhist doctrines. There is an old Chinese saying: The stone nods. According to Buddhism, even stones have a soul, and hence can nod. Master Dao Sheng of Dao Sheng Buddhism who was well informed on Zhuang's philosophy had a deep faith on the adage. "Dao is present everywhere." Before *Da Ban Yi Ban Yin* was translated into Chinese, he had already considered Buddha to be present in everyone's soul. All creatures are alive; even a stone has life. At that time, to the mind of some of Xiao Cheng's disciples this view seemed fallacious. But when the translation of *Da Ban Yie Ban Yin* came out it confirmed that Buddha is present in everything with no exceptions, even of a stone. It is said that Master Dao Sheng travelled widely to disseminate Buddhist doctrine. The story that once he went to Hangzhou to give a sermon, and the stone in the pool bowed to him survives to the present day. Though only folklore, it implies an ethical principles for environmental protection. The stone, if viewed merely as a stone, certainly is lifeless, but in Chinese philosophy the Confucian, Taoist and Buddhist schools all believe that everything is infused with life and is equal so that even a stone had a reason for existence and its proper soul.

Chinese Da Sheng Buddhism holds that everybody and everything has the Buddhist spirit and can turn into Buddha and display its splendid life value in the world. The idea of ecological ethics that everything in nature has equal life value, equal right and equal dignity in nature is very similar to what Chinese Da Cheng Buddhism calls the Buddha soul and spirit. It is claimed in *Da Ban Yin Ban Yin* that all things have an equal right to survive and evolve. This is similar to the theory of modern ecological ethics which also upholds that everything on earth has the right to exist and develop.

Modern ecology requires us to change nature and protect it. The co-existence of the objectives of nature and humanity requires that we adopt a policy of both changing and protecting the nature.

Humankind cannot use nature's objective to replace his own, but he be at the mercy of nature. For the same reason, we cannot supplant nature's objective by that of humanity. We must acknowledge and respect nature's objective, and protect its eco-logical balance, structure and reproductive capacity. At same time, under certain conditions, we must transform nature, change the course of realizing its objective, and enable the human objective to be realized. From this starting point, we must draw upon the treasures of ancient philosophy and strive vigorously to construct and develop ecological ethics.

Economic Development and the Female Personality

He Xirong

The development of an ideal personality is a necessity for every human and is a topic of philosophical research. In history there is a parallel between the development of the personalities of both men and a women, but the difference between the two is much more conspicuous. Generally speaking, the molding and improvement of women's personality is more difficult and requires more attention. Of course, the forming of personality is influenced by many elements, among which is the economical activity. From the point of view historical materialism this is the primary and the most immediate factor. This study concerns the relation between development of economics and of the personality of women.

The theme here is that both males and females are subjects of a creative society, but under different socio-economic forms which imply that the female has a specific experience. During economically primitive times women held a higher position as authorities of families and society, but were not self aware in this regard. In agricultural economies, women's authority collapsed and they lost their whole personality, manifesting thereby the antinomy which can exist between the development of the economy and of women's personality. The development of the industrial economy and the establishment of the system of democracy awoke and helped evolve women's personality. However, backwardness of thought regarding the development of the economy and consequent male behavior created difficulties for women's personality development. A modernized economy will enrich the female subject's personality and open the possibilities for women to rediscover their self and improve their personality.

The Primitive Economy and the Female's Position of Authority

Almost every nation has undergone a time when they worshiped female goddesses and had beautiful legends concerning their authority. Female goddesses could not only repair heaven and make the earth, but could also create and multiply human beings. The worship of female goddesses reflects the authoritative position of female in material things and in producing human beings during primitive economic times. With respect to material production, their level then was very low. Women collected natural fruit, while men hunted for animals, but because of poor instruments men often came back with nothing, whereas the collection of fruit by women was the main source of food. In their state of group marriage, everyone knew his or her mother without knowing the father; child bearing was considered the business of women alone. In both material and human production women occupied a dominant position and were respected by everybody. With men they worked hard for the development of humankind, but did not ride roughshod over people by means of their position. Hence, their personalities were sound and beneficial. In such a time women had both position and personality, but they could not be said to have had independent individual personalities. They were conscious of a heavy dependence upon nature and human beings; there was no place for a sense of independent personality.

Agricultural Economy and the Loss of Female Personality

Progress in productive tools changed the natural division of labor. The rise of agriculture and livestock provided a new productive force. In addition, individual marriage replaced group marriage so that people knew their own parents. Child bearing was no longer a holy affair, but a burden binding women in the family. Men came to occupy the authoritative position in society originally held by women. With the establishment of the system of private property, women no longer had an independent personality, but became an exploited and oppressed part of men's property.

The development of economy and the progress of the marriage relation need not have led to the loss of women's personality, but the fact is just the contrary. We have seen several antinomies above: first, women invented primitive agriculture, contributed to the invention of fire and livestock farming, and helped to bring about the development of the economy and progress in history. At the same time, women showed themselves less competent than men in such productive activities as agriculture and livestock farming, which made them subordinate to men; second, women contributed to the continuation of the human race, but child bearing bound them in families and deprived them of the opportunity to take part in social activities; third, males created the culture and value system and made themselves subjects of the society, while treating females as object and tools. Although these are historical antinomies, they were inevitable for human beings in their efforts to free themselves for the bonds of nature. In a society of low productive power, it is an axiom that the weak are prey to the strong. The backwardness of production and its corresponding feudal system and culture could not provide room for an equality of both sexes. Therefore, for the progress of the economy it was unavoidable that women's personality would be sacrificed. In the dark ages in China as well as in the West women could not participate in politics and the praiseworthy characters of the female were also distorted: women become jealous due to living together with their husband's concubines; they became self effacing due to being subject to maltreatment; and they became narrow-minded through living for a long time in the boudoir without going out. In the meantime, the distortion of the male personality was manifested in another way. Many men were subordinate to other men due to the social system which gave primary to the father's rights so that they had no personality of their own. In the family, marriage for the sole purpose of child bearing and expression of the sexual impulse without love alienated the human essence of males.

The Industrial Economy and the Awakening and Variation of Women's Personality

The industrial economy destroyed the natural sense of the family as the basic unit. Great quantities of labor were needed by large industry. This created opportunities for women to enter social life, to participate in economic activities, to earn salaries, and hence no longer to be the property of others. This provided a good basis for their positions as social subjects. In addition, the democratic system, corresponding to the industrial economy, promoted such ideas as "all are equal in terms of money"; "all are equal before the law", "all are equal before God". This gave rise to public opinion favorable to the independence of women as regards their personality. All this was helpful in awakening women's personalities as subjects. In industrial society women actively fulfilled their obligations while seeking their legitimate rights and interests in activities which constantly improve their personality. However, the following elements in industrial society frustrated the development of women's personality or even subjected it to certain deviations.

First, industrial production places the machine at the center; it aims at producing material objects and is determined by the investment of human power and other resources; it emphasizes

physical labor and operational technology, and the proportion of physical labor is much greater than that of mental work. This situation is unfavorable to women; they suffer sexual discrimination in seeking a job, which hinders the establishment of women's personalities as subjects.

Second, due to the backwardness of ideas in comparison to the progress of the economy, certain feudal ideas such as "the male has dignity while the female is humble" and "a woman should be subordinate to a man" still fetter women, and influence social expectations regarding their role and value. This gives rise to certain dilemmas for women in seeking their rights and fulfilling their obligations. Many women feel a tension between their role in society and in their family, and in seeking a position in social life while feeling a sense of obligation to be a good wife and mother.

Third, the male culture inclines women to be masculine: as society has long been dominated by men the behavior of successful men in social life is taken as the pattern for all people. As women have not created their own pattern of behavior, they must conform to the pattern of man's behavior so that their role in social life will more easily be accepted. This stage cannot be surmounted until women fully participate as subjects in society. Although the slogans such as "equality for both sexes" play a great role in freeing women from the fetters of family to become subjects in society, they are harmful to the maintenance of the distinctively female personality. In China, a trend toward the masculinization of women was strong after the 1950s, and reach its height in the 1970s. The "Iron Young Woman" in the 1950s was very similar to the male physique; in the 1970s the dress, even the style of women's hair, was masculinized. Coming into 1980s, people exclaimed with surprising that "there are no woman in this country"; they began to doubt whether the "strong woman" was perfect in personality. Women refused to be masculinized.

However, people have no answer to the question what is the ideal personality for women? They sink into puzzlement and inertia. Men are afraid of their wives being "strong women", and women themselves fear being "strong women". In order to be thought of as tender, many women do not dare to show their talent, but then they worry about being too feminine; they do not know how to mould their personalities. The solution to the problem requires further development in the economy as well as constant progress in ideology; one is complementary to the other.

The Modern Economy as Helpful to Molding the Ideal Female Personality

The modernized economy is a great revolution over the traditional one and will bring about change in all facets of society. The female personality will be developed and improved in the process of the modernization of society and its ideal will be realized.

First, the productive mode of the modernized economy helps manifest the personality of women as subjects. In modern industry, what determines the production is no longer physical human strength, but the application of a high level of technology, which increases the proportion of mental work. Now in some developed countries, the proportion of mental work versus physical labor approximates 1:1, while the value created by the former far exceeds that created by the latter. Therefore, the application of high level technology will reduce or eliminate the physical inferiority of women in production, and enable women to give play to their superiority in patience, carefulness and nimbleness. This is obviously indicated in developed countries: in the U.K. women have more job opportunities than men.

Second, the operational mode of a modernized economy enables women to choose the job suited to them. The open, dynamic pattern of the economy enables women to find positions of their own in a wider range of social activity. In developed countries, women are exploring molding ideal

personalities. They are not the traditional good mothers and wives who sacrifice themselves in a closed family context, nor are they the so-called strong women of industrial times. They develop their own standard and hope to get a valuable job with flexible hours and a good location; they hope to take account of both family and career. Some women give up work and become housewives while bring up their children, but their return to the family is for the purpose of educating their children and giving their children the natural love of a mother so that the children can grow soundly. In the meantime, they engage in further studies to give play to their potentialities or to develop their interests, so that they will be more competitive when they take up a career after their children have grown up. Such exploration is praiseworthy under the conditions of a modernized economy; it advances the civilization of the whole society.

Third, the high educational level of society, the high degree of democracy and the modernization and socialization of house work due to the modernization of the economy will enable women to elevate their quality as human beings, to demonstrate their personality, to strengthen their competitive power in social life, and to realize a sound personality. There will be a day when we need no longer emphasize that the male and the female differ and recognize that there is something common to both sexes. Then the peculiar and varied beauty of the character and personality of the female will demonstrate itself naturally in the world.

Of course, molding the female personality depends not merely on the progress of economy and is not merely a matter for women alone. It depends on the consistent efforts of the whole society; this requires theoretical work by scholars to find the incompatibilities and in time eliminate them.

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In 1996 a second colloquium on economic ethics in the Chinese context was held by the RVP with the national Chinese Academy of Social Sciences in Beijing. This will appear as a separate volume in this series.