Alternative Forms of Capitalism
Supported by the Lunyu 論語

Go Jaesuk

Abstract

The global community has sought to distance itself from the capitalism of the past and to focus on searching for another form of capitalism, one that is rooted in new perceptions of the world. The most outstanding characteristic of Confucianism is that all beings are perceived as belonging to one fundamental matrix in which all entities are connected to each other by internal virtues. The Confucian view of economic systems introduces a new concept of “profit” that differs from that found in the current form of capitalism. Classical Confucianism thoroughly opposes the pursuit of material values solely for oneself without benefiting others. The concept of “righteous profit” found in Confucianism is based on the pursuit of profits via “righteousness” (yi 義) in order to maintain harmonized relations with the numerous beings surrounding oneself. In other words, the combinations of righteousness (yi 義) and profit (li 利), ethics and economy, and individuals and community are all embedded in Confucianism. Confucianism also strives to achieve equal distribution (junfen 均分) so that profits are equally distributed to the people. “Equality” (jun 均) does not indicate the mechanical and even distribution of material products, but refers to a kind of “situational equality” (shizhong zhifen 時中之分) in which wealth is distributed in accordance with given situations, so that individuals can coexist harmoniously within a larger community of beings.

Various forms of capitalism may be inferred from the Lunyu, and who respect diverse values and seek to harmonize them. Viewed from this standpoint, “Confucianism-based capitalism,” a notion based on the oneness of the universe, can be identified as a significant value system within the global society in which respect for diverse values is promoted.

Keywords: Capitalism, Lunyu 論語 (Analects), benevolence (ren 仁), righteousness (yi 義), Confucian Capitalism, righteous profit

* GO Jaesuk : Associate Professor, College of Confucian Studies & Eastern Philosophy (slowlife@skku.edu)
1. Introduction: Broken Capitalism

“There are so many excellent economists, why did they all fail to see this serious financial crisis?” This was the question that Queen Elizabeth II asked scholars at the London School of Economics and Political Science when she visited there in November 2008 to be briefed on the causes of the global financial crisis. One of the economists is said to have answered that the field of economics had all but collapsed.

Economics, which had long been considered to be more scientific and organized than other social sciences, is no longer held in such high regard. Although five years have passed since the onset of the sub-prime mortgage crisis and the collapse of Lehman Brothers in the United States, the economic recession and financial deficit continue unabated. The subsequent emergence of the Euro crisis has led many economists to emphasize the need for economics to be reborn.

The present situation was clearly exposed during the Davos Forum held in Switzerland in January 2012. The participants in the Davos Forum, all of whom are lifelong supporters of capitalism and liberalism, concluded that “capitalism was broken” and focused on a fundamental transformation of the current capitalist system that has regularly produced economic recession and inequality.

Unlike previous periods during which the philosophy of open capitalism and open markets had been advocated under the banner of neo-liberalism, this particular Forum placed special emphasis on “introspection” in place of “openness.” The arrogance of financial institutions labeled as “too big to fail,” the social inequality created by their arrogance, and enterprises that focused too much on their own well-being without creating jobs, were identified as the causes of the “breakdown” or “malfunction” of the mechanism called capitalism.

Capitalism pursues a utopia in which all people are satisfied. However, it has in fact created a dystopia in which no one is satisfied. Nevertheless, the Davos Forum did not call for the thorough disposal of a bankrupt capitalism in favor of a move towards a different system. The majority of the specialists who took part in the Davos Forum concluded that “capitalism must continue no matter what” and that a new form of global capitalism could be created by addressing the shortcomings that have surfaced.

It now seems inevitable that several core tenets of neo-liberalism, namely that “resources will be effectively distributed and the economy will operate efficiently as long as market principles alone govern the economy,” “government intervention results in the distortion of the economic order,” and “globalization will make everyone happy and guarantee a better future for mankind” will be considerably modified, if not rejected outright.
The basic principles of mainstream economics based on rationality, efficiency, stability, neutrality, fairness, and growth are now regarded as ideological rather than scientific. Discussions about a new capitalism based on “change” have been carried out in many societies.

The present study was inspired by this current trend. In fact, the current state of discussions regarding the future of capitalism is actually reminiscent of the disputes between the hundred schools of thought (baijia zhengming 百家爭鳴) that emerged during the Spring & Autumn and Warring States Period in ancient China. In this regard, this study set out to review the advice that Confucianism, which constitutes the common spiritual legacy of East Asia, might offer to societies seeking to reconceive their relationship to market capitalism and their economic policies under the current circumstances. This paper contends that Confucian thought might be capable of producing something approaching a “Confucianism-based capitalism,” a significant value system within the today’s global society in which respect for diverse values is promoted.

2. Uncomfortable Encounter between Confucianism and Capitalism

East Asia began to fully encounter the mode of production known as capitalism in the 19th century. Many East Asian scholars believe that Confucianism has contributed to the downfall of East Asian economic systems. In their view, Confucianism was a vestige of feudalism that had to be immediately overcome, in no small part because it impeded the development of democracy, science, modernization and capitalism.

In his book *The Protestant Ethic and the Spirit of Capitalism*, Max Weber asserted that in addition to economic factors, the Protestant ethic centered on Calvinism had played a decisive role in creating capitalism and leading to the collapse of the feudal order in the Western world. The rise of “rational” capitalism in the West was made possible because Protestantism was the only world religion that had a special affinity with the capitalistic economic activity known as the pursuit of profits.

Meanwhile, Weber identified structural problems within Chinese society as the reason for the failure of capitalism to develop in 19th century China. Such problems included the underdeveloped nature of the currency system as well as bureaucratic and civil examination systems, the predominance of kinship organizations, and the lack of legal mechanisms. However, Weber singled out the Confucian ethic, which he identified as being diametrically opposed to the Protestant ethic, as the most important and decisive reason for the failure of capitalism to take root.

Weber argued that Chinese society had not had fully matured rationally, and this underdevelopment was visible realms like science, art, emotions,

---

1 Weber, *Peuroteseutanteu yulli-wa jahonjuui jeongsin*. 

laws, medicine, natural science, technology, and the authority of God. Moreover, Weber held that China’s social hierarchical system provided a huge hurdle when it came to the humane treatment of others, since its rigidity pervasiveness meant that competing or emerging notions could never possibly compete with the established structure. Therefore, Weber concluded that Confucianism lacked the rationality, pursuit of profits and scientific thought that represented the core factors of modern capitalism. He also asserted that the Chinese mindset and Confucian-influenced culture blocked the emergence of economic specialization and impeded the path to capitalism.

Despite being based on logically defective self-interpretations and narrow-minded bigotry rather than profound interpretations of the nature of Confucianism and a desire to precisely address issues, Weber’s interpretations deeply influenced not only Westerners’ perceptions of East Asia but also East Asia’s perceptions of itself. This perception is evidenced in Western scholars such as John King Fairbank, Richard H. Solomon, and Lloyd E. Esman’s claims that Confucianism had no future; China’s intentional disparagement of its Confucian heritage over the past decades through the May 4 Movement and Great Proletarian Cultural Revolution, and similar efforts made by other East Asian countries to negate traditions and westernize their countries. Weber’s assertions became subject to increased criticism and underwent many modifications following the onset of East Asia’s rapid economic growth during the 1970s. The rapid development of East Asian economies such as those of Japan, Korea, Hong Kong, and Singapore, a region referred to as the Confucian cultural zone, during the 1960s and 1970s paved the way for a reassessment of Confucianism’s compatibility with modern capitalism. In this new view, Confucianism, which served as the foundation of East Asian thought and culture, greatly contributed to economic development. These assertions borrowed from Weber’s theory that people’s supernatant consciousness structure characterized by religion and ethics has an active impact and influence on economic development. In his piece “The Post-Confucian Challenge” published in The Economist in February 1980, R. MacFarguhar asserted that the economic development of East Asia had been made possible by the Confucian tradition and ethic. He also implied that the Confucian cultural zone would emerge as a major player that would challenge the supremacy of the West in the future. In addition, MacFarguhar maintained that Confucian values such as reverence for education, desire for success, diligence and frugality, loyalty to one’s family and organization, prioritization of the group over individuals, and respect for a hierarchical system had become the spiritual base for economic development in East Asia.

As such, “Confucian capitalism” emerged as a popular socio-cultural code symbolizing highly-advanced values, and was even advocated by social scientists that had previously kept their distance from Confucianism. However, this trend only lasted for a short period of time. The term
“Confucian capitalism” was deemed to be taboo after the collapse of many East Asian economies, including that of Korea, in 1997, which ultimately led to the International Monetary Fund (IMF) stepping in to stabilize the national currencies of several Southeast Asian nations. In the wake of this crisis, “Confucian capitalism” was replaced by new terms such as “moral hazard” and “crony capitalism.” Once again, Confucianism had become a target of disdain.

Sometime thereafter, The New York Times released an article entitled “Asia’s Surrender.” This article gleefully emphasized how the Asian economic model had finally capitulated and the “Japanese model” of managing a national economy which had been in place for the previous 20-30 years in Asia was starting to crumble. For his part, East Asian specialist Richard Holbrooke asserted that Asian values such as strong familial solidarity, the Confucian education system, and diligence that Asia had trumpeted to the world as its own were in fact universal values. Double standards and corruption were in fact deeply rooted in Asian values, values that should not be allowed to take root once again.

Here attention should be drawn to the fact that the discourse on “Confucian capitalism” was an ill-advised attempt to emulate Weber’s focus on the Protestant ethic and search for modern factors related to Confucianism, such as the passion for education, diligence, and disciplined spending, which had enabled the development of capitalism in Asia. Such an approach was preferred to a frank discussion of the directions in which capitalism might develop when based on a fundamental understanding of Confucianism.

To this end, Lee Seung-hwan maintained in his work Topography of Confucian Discourse that Korea’s economic growth process was in fact thoroughly based on an “anti-Confucian” process. Lee asserted that Korea’s business conglomerates (jaebeol) and entrepreneurs that had pursued “wealth for wealth’s sake” while indulging in all kinds of evasions and manipulations of the law were as far removed from the spirit of not forgetting honor at the sight of profit (jian li si yi 見利思義) as possible. The “strong government” at the forefront of economic development had emasculated the National Assembly and other political parties and suppressed the people through its grip on intelligence agencies and legislative institutions. This, Lee argued, was a thorough example of anti-Confucian politics. Furthermore, Lee also rejected the assertion that familism and communalism had contributed to the development of Korean capitalism. He stressed that the Confucian understanding of tolerance (shu 毅) was one that rejected closed familism and favored the expansion of love to include society at large over nepotistic systems and collectivism.3

2 Sanger, “Asia’s Surrender.”
3 Lee Seung-hwan, Yugyo damnon-ui jihyeonghak, 84.
3. New Encounter between the Lunyu and Capitalism

What form does capitalism based on the essence of Confucianism take on? It goes without saying that this form of “capitalism” does not indicate the existing definition based on the “pursuit of profits” and “affirmation of desire.” Rather, it refers to another form of capitalism that involves the taking of a new direction. Let us review the direction of capitalism based on the essence of Confucianism through the Lunyu.

1) The Contrast between Small Profit (Xiaoli 小利) and Righteous Profit (Yizhili 義之利)

A look at the Lunyu shows that although Kongzi (a.k.a., Confucius) identified benevolence (ren 仁) and righteousness (yi 義) as desirable virtues that a virtuous man should possess, he was reluctant to comment on profit (li 利). Kongzi stated,

The virtuous man is aware of righteousness, the inferior man is aware of profit.

Kongzi regarded righteousness (yi 義) and advantage (li 利) as opposing values that separated the virtuous man from the inferior one. To this end, Kongzi said, “He who acts with a constant view to his own advantage will be much murmured against.” As such, he was wary of pursuing small profit (xiaoli 小利). Meanwhile, Kongzi believed that a person who lived his life based on internal virtues could enjoy complete happiness, advising followers: “do not do things that will incur the wrath of people and when at home, do not behave in such a way that may irritate your neighbors.”

Kongzi’s statements would appear to make it clear that he perceived profit (li 利) as a negative value. However, he seems to acknowledge pursuit of material value, as when he stated that “Wealth and official success are what most people wish for.” This means that he had a double approach to the pursuit of profit. What then is actual meaning of profit (li 利) that Kongzi identified as the opposing value of righteousness (yi 義)? In order to answer this question, it is essential to have a better understanding of the highest

---

4 Lunyu 9.1: “子罕: 子罕言利與命與仁” (The subjects of which the Master seldom spoke were: profitableness, and also the appointments of Heaven, and perfect virtue).
5 Lunyu 4.16: “君子喻於義, 小人喻於利.”
6 Lunyu 4.12: “放於利而行, 多怨.”
7 Lunyu 13.7: “無見小利... 見小利, 則大事不成” (Do not look at small advantages. . . . Looking at small advantages prevents great affairs from being accomplished).
8 Lunyu 12.2: “在邦無怨, 在家無怨.”
9 Lunyu 4.5: “富與貴, 是人之所欲也.”
virtue and core notion of benevolence (ren 仁). When his disciples asked Kongzi about benevolence (ren 仁), he said,

Zhong Gong [Chung-kung] asked about perfect virtue. The Master said, “Not to do to others as you would not wish done to yourself.”

Fan Chi asked about benevolence. The Master said, “It is to love others.”

“To love others” refers to the altruistic affection parents might have toward their children. This kind of emotion is possible when we realize each individual is closely related spiritually even though each individual has their own separate physical entity. That is to say, the self is a personal entity as well as a social entity. Also the self is a microcosm which constitutes a one body of the universe. In this regard, Richard Nisbett argues that East Asian traditions value interdependence and frequently use plural forms of first person pronouns even in situations which refer to a single person.

For Kongzi, although the individual and others have different physical forms, they are fundamentally “one being” connected to each other by internal virtues. In this sense, the desires emanating from the virtues of I and others are not different. As such, what I want is what others want and what I do not want is what others do not want. Therefore, the benevolence (ren 仁) necessary to love all men requires me to expand my loving heart to others.

Modern Western society perceived every man’s right to individual sovereignty as a natural one. As long as he does not harm others, one has the right to make his own decisions free of interference and suppression. No man can take away another’s right to make his own decisions. As such, there is a strong emphasis on individual rights and opposition to and distrust of the various types of collectivism that have been used to suppress individual rights. The Western perception of “freedom” is typically limited to individual freedom, not the freedom of the community or group. The notion of individualism that emerged along with Western modernization has emphasized individual rights to freedom and has tended to value the interests of individuals over adherence to shared community norms and collective unity.

However, Kongzi also had a different perception of individual freedom than the one found in Western society. Kongzi said,

At seventy, I could follow what my heart desired, without transgressing what was right.

The claim that even though he followed what his heart desired he did not transgress from what was right essentially means that one must consider social

---

10 Lunyu 12.2: “仲弓問仁：子曰，‘己所不欲，勿施於人’.”
11 Lunyu 12.22: “樊遲問仁：子曰，‘愛人’.”
12 Nisbett, The Geography of Thought, 53-106.
13 Lunyu 2.4: “七十而從心所欲，不踰矩.”
norms and people’s judgment of values when talking about individual freedom. In his discussion of individual freedom, Kongzi also introduced the notion of “sociality” as another important area of human life. As individuals must inevitably live their lives based on social relationships, the absolute freedom or autonomy of atomized individuals existing separately from society is regarded as nothing more than fiction. Kongzi’s claim that even though he followed what his heart desired he did not transgress from what was right (ju 矩) refers to the “moral freedom” that comes from achieving complete harmonious coexistence with the community based on internal virtues, not to the physical freedom to escape from the confinement or restrictions of others.

Of course, the premise for harmonized coexistence within the community can be summarized with the maxim that “the virtuous man aims at harmony, and not at uniformity (he er bu tong 和而不同).” Rather than a call for individual sacrifice or the destruction of the community, this denotes the need for individuals and communities to harmoniously coexist in a manner that reflects the prevailing situation.

In this regard, the aforementioned profit (li 利) found in the pursuit of profit (fang yu li 放於利), cognizance of profit (yu yu li 喻於利) and small profit (xiaoli 小利), denotes trying every possible means to acquire wealth without regard for others’ ability to achieve individual success and honor. This profit (li 利) separates self from other, family from society, state from state, and mankind from nature, and as such constitutes small profit (xiaoli 小利) blindly pursued along demarcated borders. In addition to the economic aspect, the Lunyu also refers to “small profit (xiaoli 小利)” as private desires beholden to items and concepts such as food (shi 食), color (se 色), residence (ju 居), clothing (yi 衣), life (sheng 生), death (si 死), wealth (fu 富), nobleness (gui 貴), conquest (fa 伐), victory (shengren 勝人), and desire (tan 贪).

In contrast, Kongzi also emphasized fairly-obtained profit. The following are Kongzi’s statements:

Forget honor at the sight of profit.14

Seeing that promotes personal gains, think of right conduct.15

The notion of “profits based on righteousness” refers to the belief in a value (righteousness) which has its basis in a consideration of relationships with others when seeking to promote personal profit. In other words, it means unity between righteousness (yi 義) and profit (yi 利), between public and private, and between the moral and economic.

As we can infer from the suggestion that one is supposed to hide one’s father’s fault (i.e., stealing sheep mentioned in the “Xianwen” 憲問 chapter), yi

義 (righteousness) in Confucianism values interpersonal relationships, for instance, between the self and others, the self and society, the self and the natural world. In other words, Confucianism holds that yi is based on the unity of all entities, which is also the main value of ren (benevolence). Confucianism maintains that if yi is not based on ren (benevolence), heteronomous and hypocritical behavior can result, particularly if one follows the teachings of fajia (Legalism) which emphasizes the coercive employment of external legal and regulatory requirements.

In other words, Kongzi held that yi (righteousness or righterous behavior) based on ren (benevolence or benevolent behavior) cannot be a permanent and universal principle, because it tends to lead to unbalanced and uncontextualized actions. As such, the Lunyu expands on the notion of “righteous profit” through which profit (li 利) is combined with righteousness (yi 義) to include the completion of social networks such as filial duty to parents, brotherhood, and devotion to society. As such, it is not limited to economic aspects alone.

This kind of Confucian approach is based on the premise that heaven and man are in unity and the essence of heaven resides in the human mind. This is why humans have the ability to behave in a correct and righteous way by reflecting on their inner virtues.

Therefore, “righteous profit (yizhili 義之利)” pursues profit that allows people to coexist with one another. Those who hold to such a concept will consider the effect of one’s behavior on one’s relationships with others, and will be necessarily wary of an oligopolistic social structure in which distribution is not equally carried out. Kongzi said:

Rulers of states and chiefs of families are not troubled lest their people should be few.

Entrepreneurs and politicians should make efforts to establish wealthy enterprises and states through the creation of profits. However, they should make even greater effort to achieve equal distribution (junfen 均分) so that profits are equally distributed to the people.

Of course, “equality” (jun 均) does not indicate uniform distribution based on arithmetical calculations. “Equality (jun 均)” means “situational equality (shizhongzhifen 時中之分)” in which wealth is distributed in accordance with the prevailing situation, and in such a manner that individuals and the community can coexist in a harmonized manner. Thus, although there may be cases where some individuals accrue more gains (or incur greater losses) than others, there should be no rumblings of complaints or discontent. Kongzi said, “When a person in authority makes more beneficial to the people the things from which they naturally derive

16 The Yiijing 易經 (Classic of Changes) refers to it as meili 美利 (lit. beautiful profit): “Qian gua” 乾卦: “美利利天下”; The Zuozhuan 左傳 (Zuo’s Commentary to the Chunqiu) refers to it as gongli 公利 (common profit): “Zhaogong” 昭公: “公事有公利, 無私忌.”
Kongzi perceived “righteous profit” as the actualization of equality amongst all members of a society.

2) “Confucianism-based Capitalism” Based on the Pursuit of “Righteous Profit”

Although clearly separate from a superficial standpoint, Kongzi perceived individuals, collectivities, and whole communities as relational entities connected to one another by internal virtues. He did not envision them as atomized individuals. In this regard, Kongzi viewed the completion of relational beings as “righteous profit.” That being the case, what does a life spent in pursuit of “righteous profit” encompass? First, “righteous profit” (yizhili 義之利) will naturally pursue justified profits but will decisively refuse the gains obtained based on unjustified methods. Kongzi said,

The Master said, "Riches and honors are what men desire. If they cannot be obtained in the proper way, they should not be held. Poverty and meanness are what men dislike. If they cannot be avoided in the proper way, they should not be avoided.”

A society or community can be regarded as a stage of life in which one actualizes his values and as a sphere where one completes his virtues. However, when a person destroys this stage and sphere by only considering himself, his family, or the community to which he belongs in pursuit of profit and gain, the profit or gain resulting from such actions can hardly be regarded as “righteous profit.” Kongzi perceived this kind of profit to be as vain as floating clouds. Kongzi stressed that he would pursue righteousness and seek to complete the relational networks that he desired for his entire life even if he found himself subject to physical poverty.

In addition, when a disciple asked about shame (chi 耻), Kongzi said, “When the Way prevails in your state, to be concerned about your salary is shameful. When the Way is absent in your state, to be concerned about your salary is shameful. When the Way is absent in your state, to be concerned about your salary is shameful. When the Way is absent in your state, to be concerned about your salary is shameful.”

---

17 Lunyu 20.2: “因民之所利而利之.”
18 Lunyu 4.5: “富與貴是人之所欲也，不以其道得之，不處也；貧與賤是人之所惡也，不以其道得之，不去也．”
19 Lunyu 7.15: “飯疏食飲水，曲肱而枕之，樂亦在其中矣，不義而富且貴，於我如浮雲” (I can live with coarse rice to eat, water for drink and my arm as a pillow and still be happy. Wealth and honors that one possesses in the midst of injustice are like floating clouds).
20 Lunyu 7.11: “富而可求也，誰執鞭之士，吾亦為之。如不可求，從吾所好” (If the attainment of wealth was guaranteed in its seeking, even if I were to become a groom with a whip in hand to get it, I would do so. But since its attainment cannot be guaranteed, I will go with that which I love).
salary is shameful." Kongzi stressed that a man who possesses virtue and capability would be selected for duty when the state was well governed and would be entitled to amass righteous profit. However, one who accepted a government post in times of chaos had already shown himself to be as immoral as the shameless politicians. Kongzi emphasized that this represented shameful behavior that one should avoid.

Second, Kongzi believed that righteous profit (yizhili 義之利) prevented reckless environmental destruction and the wasting of resources in the name of the pursuit of profit, and promoted the appropriate use of the natural environment in a sustainable manner.

The Master angled, but did not use a net. He shot, but not at birds perching.

Kongzi regarded the universe as being based on a oneness that can be achieved by expanding the networks of relations between men and also with nature. As such, because of the influence men and nature exercise on one another he perceived men’s use of nature as inevitable. This attitude does not mean that human beings are entitled to develop nature in whatsoever manner they desire. Kongzi did not catch all the fish with a big net when fishing or attack sleeping birds when hunting birds with arrows. Rather than naturally accepting the sacrifice of other beings in a reckless manner, this practice of restraint highlights the importance of all life forms. This can be regarded as the principle of pursuing completely harmonized relations between man and nature as well as between the individuals and their communities. Harmonization must be achieved in a gradual manner, moving from beings that are close to me towards beings that are further afield by gradually expanding the scope from my self and my family to encompass my neighbors, the state, and the universe.

---

21 Lunyu 14.1: “邦有道穀，邦無道穀，恥也。”
22 Lunyu 8.13: “邦有道，貧且賤焉，恥也，邦無道，富且貴焉，恥也” (When the Way prevails in your own state, to be poor and obscure is a disgrace. But when the Way does not prevail in your own state, to be rich and honored is a disgrace).
23 Increasingly aware of the importance of the concept of “sustainable development,” Western environmental organizations have recently attempted to solve the dilemma of conservation and the development of the natural environment. This concept was given official form in the report entitled Our Common Future prepared by the World Commission on Environment and Development (WCED) in 1987. Sustainable development was defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. As such, sustainable development in a narrow sense means the sustainability of the economy; however, from a wider perspective it also means maintaining the entire ecosystem, meaning not just the economy but natural resources as well, in a sustainable manner.
24 Lunyu 6.26: “釣而不綱，弋不射宿.”
4. Conclusion: How to Actualize “Confucianism-based Capitalism”

The global community has sought to distance itself from the capitalism of the past and to focus on searching for a healthier form of capitalism that is rooted in new perceptions of the world.

Meanwhile, the most outstanding characteristic of Confucianism is its insistence that all beings belong to an oneness connected to each other by internal virtues. As described previously, economic views which are based on a Confucian relational theory of the universe would entail an idea of “righteous profit” that differs significantly from that found in the current form of capitalism. Confucianism thoroughly opposes the taking of profit solely for oneself without any consideration for the effect that this profit-taking would have upon one’s relations with others. The concept of righteous profit found in Confucianism is based on the pursuit of profits via “righteousness” (yi 義) in order to maintain harmonized relations with the numerous beings surrounding oneself. In other words, the combinations of righteousness (yi 義) and profit (li 利), ethics and economy, and individuals and community are all embedded in Confucianism.

In this regard, “Confucianism-based capitalism” is well situated to resolve many of the problems that have appeared amid the current form of capitalism, problems such as those of egotism, materialism, environmental destruction, and income disparity. Based on internal virtues, this form of capitalism pursues a notion of righteous profit which strives to maintain harmony between individuals and the community, regards other beings as being akin to one’s self, promotes living a virtuous rather than a materialistic life, supports equal rather than monopolistic distributions of profits, and champions appropriately restrained rather than reckless uses of nature.

How can this “Confucianism-based capitalism” be actualized? Kongzi said,

Humane men are comfortable in enevolence. The wise take advantage of enevolence.25

Within Confucian thought, benevolence (ren 仁) is the basis for actualizing economic perceptions based on the concept of universal oneness in which the self and others are viewed as one. The main difference between humane men (renzhe 仁者) and wise men (zhizhe 知者) is the degree to which one has already completed and practiced Confucianism-based economic justice or has simply adopted this as his goal and made efforts to achieve it. As such, the ultimate goal of “Confucianism-based capitalism” is to actualize righteous profit, which can only be done through the accomplishment of virtue in a way befitting humane men (renzhe 仁者). The realization of righteous

25 Lunyu 4.2: “仁者安仁, 知者利仁.”
profit in turn becomes the basis for co-prosperity, ethical management, social enterprise, welfare, and ecosystem. However, such humane men are a rare sight in the real world, and just as is the case with becoming wise men (zhizhe 知者), become a humane man requires sustained and stringent. Under the current definition of capitalism in which the unfettered pursuit of profit and desires is viewed in a positive light, such a conception of righteous profit will likely be perceived as nothing more than idealistic fancy that is far removed from reality. Nevertheless, Confucianism regards righteous profit as a true advantage and requires that endless efforts be made to achieve it. To this end, “Confucianism-based capitalism” conjures up images of a Confucianism-based utopia in which the entire society ultimately actualizes economic justice and the pursuit of righteous profit.

Righteous profit (yizhili 義之利) involves inducing all the people to voluntarily pursue the completion of virtue rather than forcing them to do so via laws and institutions. During his trip to Wei, Kongzi said,

Ran You was driving for the Master on a trip to Wei. Confucius said, “How populous it is here.” Ran You said, “Once there are so many people, what should be done?” “Enrich them,” said the Master. “Once they are enriched, what next?” “Educate them.”26

The most important of a ruler’s duties is to enrich the people. However, a ruler that only focuses on this duty and starts to rule the state based solely on laws and institutions runs the risk of creating situations where people do not feel any shame when they violate the law27 and in which mankind becomes little more than an implement with which to accumulate wealth and produce goods. In this regard, Kongzi viewed the enrichment of the people (fu zhi 富之) as not being the best policy. Kongzi believed that a ruler’s first priority should be the establishment of a society in which trust between people prevailed and that this could be achieved by educating the people to cultivate internal virtues. Once this was brought about, all members of the society would pursue righteous profit and regard others as being the equivalent of themselves and voluntarily achieve equal distribution. This in turn would lead to the achievement of harmonized relations with the universe. Of course, the completion of virtue in order to actualize righteous profit is not limited to people. In this regard, because he knew that the rulers

26 Lunyu 13.9: 子適衛，冉有僕。子曰：‘庶矣哉!’ 冉有曰：‘既庶矣，又何加焉?’ 曰：‘富之。’ 曰：‘既富矣，又何加焉?’ 曰：‘敎之。’
27 Lunyu 2.3: “道之以政，齊之以刑，民免而無恥。道之以德，齊之以禮，有恥且格” (If you govern the people legalistically and control them by punishment, they will avoid crime, but have no personal sense of shame. If you govern them by means of virtue and control them with propriety, they will gain their own sense of shame, and thus correct themselves).
of states had a greater capacity to actualize this goal, Kongzi spent a lot of time visiting such rulers and trying to persuade them of the logic of his viewpoints.

Whether someone made us do it or we did it on our own, during our drive to modernization, we disparaged our rich heritage of East Asian thought and culture. This happened as we pursued modern values that accompanied the introduction of Western capitalism such as reason, rationality, freedom, and science. However, capitalism has been challenged to the point where a fundamental transformation is now in order. This transformation will not result in a form of capitalism in which diverse values are destroyed and which can be defined based solely through one means. Various forms of capitalism may be discussed as we move toward actualizing Konzhi’s description of a society made of virtuous men: “Virtuous men are in harmony with others but they are different from others” (he er bu tong 和而不同), and who respect diverse values and seek to harmonize them. Viewed from this standpoint, “Confucianism-based capitalism,” a notion based on the oneness of the universe, must be viewed as a meaningful concept at the current point in time.
REFERENCES

Primary Sources

Chunqiu zuozhuan (Zuo’s Commentary to the Spring and Autumn Annals).
Lunyu (Analects).
Mengzi (Mencius).
Yijing (Classic of Changes).

Secondary Sources

中文摘要

本論文所關注的正是，在熱烈討論資本主義未來的今天，儒學作為東亞共同的精神遺產，究竟能為我們做些什麼？筆者認為，儒學能夠將資本主義的未來引向具有東亞思維特徵的新方式“儒學資本主義”，在尊重多元化價值的現今社會中，它依然是對我們有意義的價值體系。儒學徹底反對不顧關係性而只顧自己利益。“見利思義”是說，見到利益，則考慮我與他人的關係，追求相互可以共生的價值“義”。即意味著義與利的合一、公與私的合一、道德與經濟的合一。儒學對“基於義之利”概念的定義是，為了維持我和周圍許多有關係的存在者之間的和諧關係，追求基於每時每刻發生變化的“義”的利益。這是以義與利、道德與經濟、個人與共同體之間的合一為基本前提的。但是，“小利”之“利”卻意味著不考慮他人，不擇手段和方法，只顧追求個人的榮華。這種“利”是分離我與他、家族與社會、國家與國家、人類和自然，只為有區別的框框而盲目追求的“小利”。儒學還主張“均分”，其意味著能使我和共同體和諧共生，按照實際情況進行合理分配的“時中的均分”。因此，即使有時我比別人獲取的利益少，或者我比別人獲取的利益多，也不會有不平不滿。因此，“儒學資本主義”具有自然地解決存在於現有資本主義中利己主義、物質萬能主義、環境破壞、所得差距等諸多問題的優點。基於內在的德性，追求維持個人與共同體和諧的正當利益，渡過視人為己、非物質為主而德性為主的人生，不是少數人獨占利益，而是自然形成均勻分配，不肆意開發自然，而是在持續可能的狀態下適當地利用自然。

關鍵詞：資本主義，經濟，利，義，道德，論語，儒學資本主義