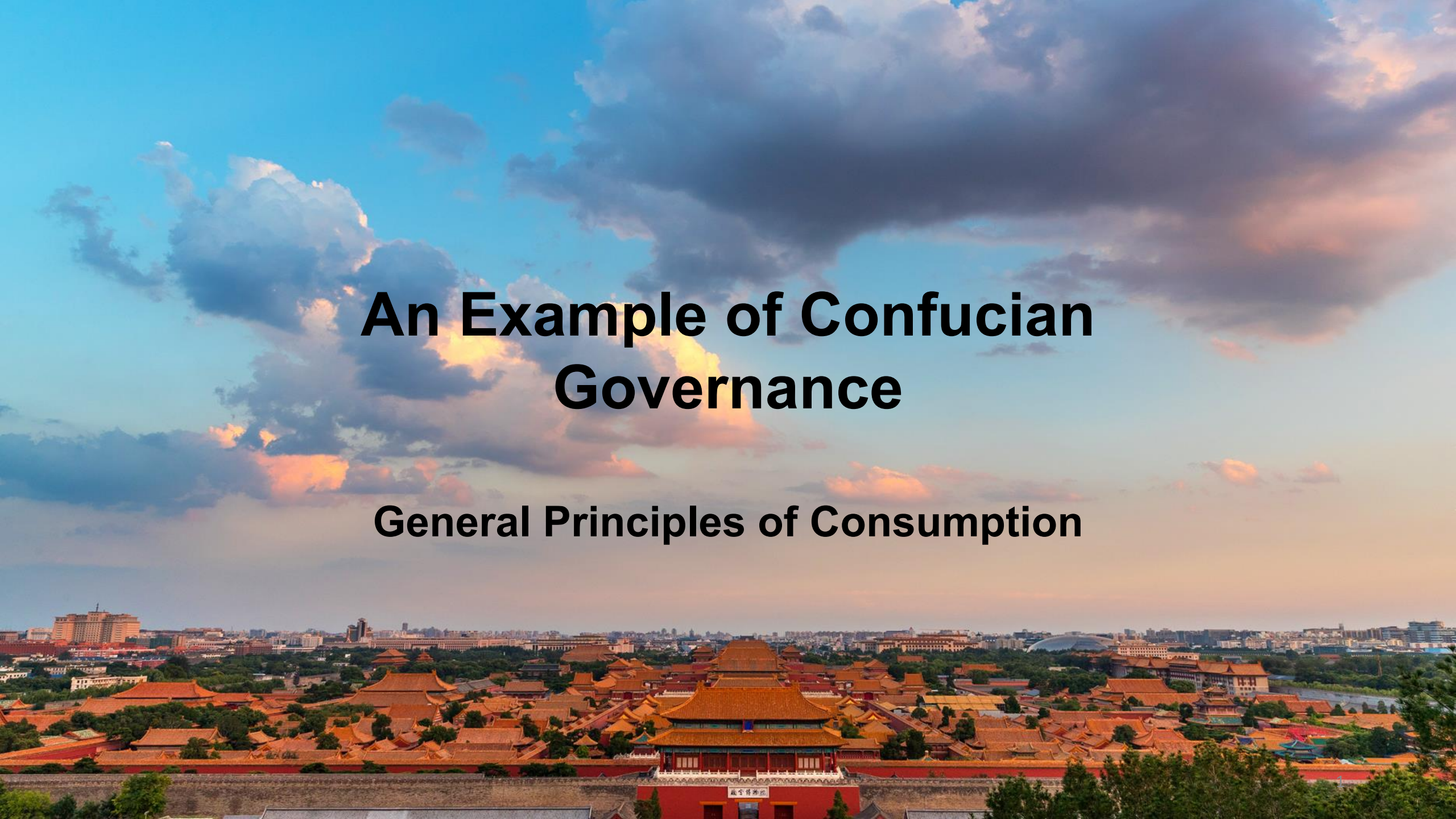
An Example of Confucian Governance

General Principles of Consumption



I. HUMAN WANTS

I.1 Sages take human feeling as basis of their philosophy

- The material side of Man
  - *“Man is the heart and mind of Heaven and Earth, and the visible embodiment of the five elements. He lives in the enjoyment of all flavours, the discriminating of all notes (of harmony), and the enrobing of all colours.”*

--- Book of Rites, Evolution of civilisation

- *“The feelings of men being the field to be cultivated, men would look up (to the sages) as to their landlords.”*

--- Book of Rites, Evolution of civilisation

- What are human feelings?
  - *“They are **joy**, **anger**, **sadness**, **fear**, **love**, **disliking (hatred)**, and **liking (desire)**. These seven feelings belong to men without their learning them.”*

--- Book of Rites, Evolution of civilisation

- The liking and disliking are the strongest
  - *“The things which men greatly desire are comprehended in food and drink and sexual pleasure; those which they greatly dislike are comprehended in death, exile, poverty, and suffering. Thus liking and disliking are the great elements in men's minds.”*

--- Book of Rites, Evolution of civilisation

- *“The appetite of food and of sex is the nature of man.”*

--- Mencius, Gao Zi i

- *“A beautiful woman is what man desires ... wealth is what man desires ... political dignity is what man desires”*

--- Mencius, Wan Zhang i

- **Human feeling** is the field of Confucius' work.
- Since desire is the strongest feeling of man, no matter how spiritual he may be, the economic wants for food, drink and sexual pleasure are the cornerstones of human society. Therefore, human desire is the starting point for both ethics and economics.

I.2 Human desire - allowed but under control

- Confucius and his followers never advocated the doctrine of extinguishing desire.
- However, humans’ wants and desires have no end.

- *“In the nature of man, in his eating, he wants flesh of grass- and grain-fed animals; in his dressing, he wants silk of beautiful dye, and embroidery; in his traveling, he wants carriages and horses. Besides these, he wants the riches of accumulated surplus. But, year after year, and generation after generation, man still does not know what ‘enough’ is; this is the characteristic of human nature.”*

--- *Xun Zi, Honour and Shame*

- When Confucius speaks about the natural desire of man, while recognising human nature, Confucius actually wants to warn people about the problem of uncontrolled desire.
- *“The desires should not be indulged ... pleasure should not be carried to excess.”*

--- *Book of Rites, Summary of the Rules of Propriety i*

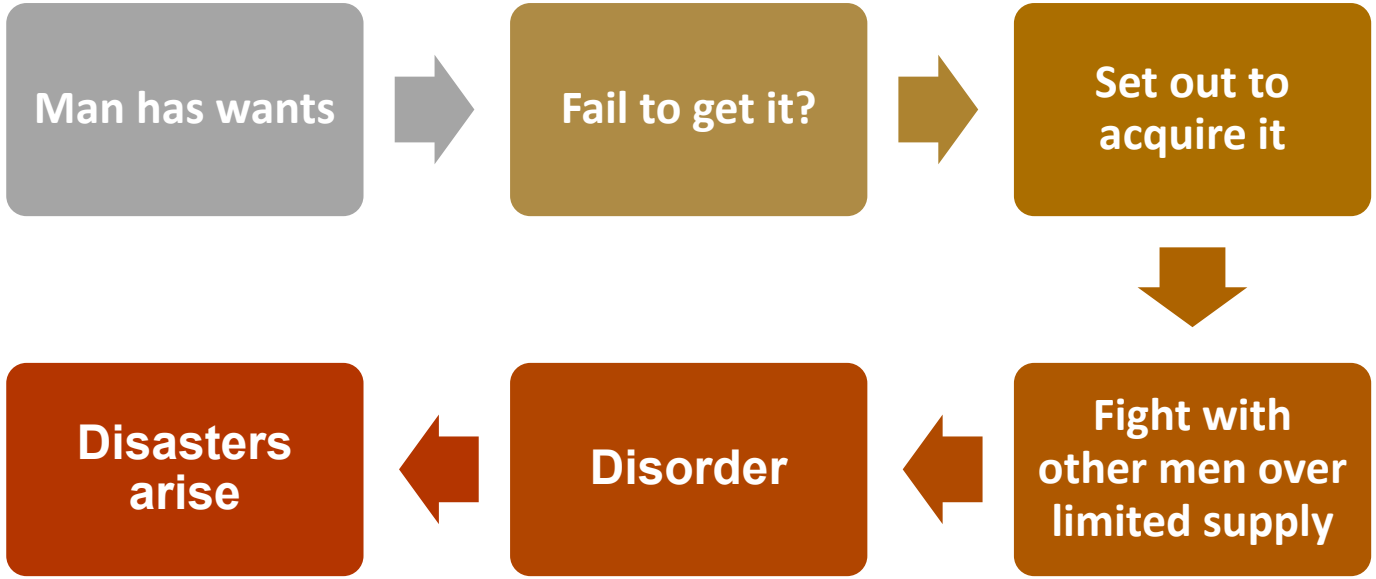
- We must understand that the ultimate purpose of any economic management is human happiness. Therefore, it is essential to understand what true happiness is; otherwise, any economics study can lead to disorder and disaster.

II. DOCTRINE OF RITES

- Confucius recognise human wants, and also teach self-control over them. Thereby, a system of rite is developed.
- We focus on rites that are related to consumption, and divide the functions of rites into
  - Satisfaction of wants
  - Regulation of wants

II.1 Satisfaction of wants

- The problem:



--- Xun Zi, Essay on Rites

- The solution from the pure production side
  - According to *Xun Zi (Essay on Rites)*, rites are made to satisfy wants with high products standard (see reading material).

Tasty food	Plants	Architect and colours	Musical instruments	Housing and furniture
Satisfy the Sense of taste	Satisfy the Sense of smell	Satisfy the Sense of the eyes	Satisfy the Sense of the ears	Satisfy the Sense of the body

- But we must be extremely careful with this satisfaction side of rites.
- The rites are NOT created to satisfy inappropriate wants and encourage some “horrible hobby” of people.
- Solution from the ethical side:
  - By setting rules of consumption, quality of production, and rites, one can promote harmony and unite society. This side of economic utility is often ignored.

- Some examples of desirable consumption:
  - Ancestral remembrance
  - The use of different tableware on different occasions
  - Why do you wear a suit in a job interview?
  - Why do you buy flowers on Mother's Day?
  - What is the purpose of a wedding ceremony?
- All of these are consumption, and yet, are they merely to satisfy our greed?
- How about the ethical impact of overly luxurious presents for young children?

- Beyond the pure consumption aspect of rites, proper rites can bring harmony into the family, between husband and wife, parents and children, between siblings, friends, and between the employer and employees.
- The social and spiritual duties are discharged by the physical and material means
- Unless one reaches absolute sincerity, the form is just as important as the substance.

- Confucius' system of rites takes human wants as the foundation of his philosophy and combines the economic and ethical elements into one principle.
- Confucius takes the economic need as the basis of his ethical teaching.
- The problem with the consumption theory in modern economics is that there is very little consideration of the ethical function of consumption.
  - Reading: *Excerpts from Book of Rites, Evolution of civilisation*

II.2 Moral regulation of wants

- According to *the Book of Rites, record of music* (see reading material)*:*
  - Man has wants
  - Wants are positively affected by external things
  - His wants increase with knowledge, which is the result of the coming of things.
  - **External things are endless, so wants are limitless.**

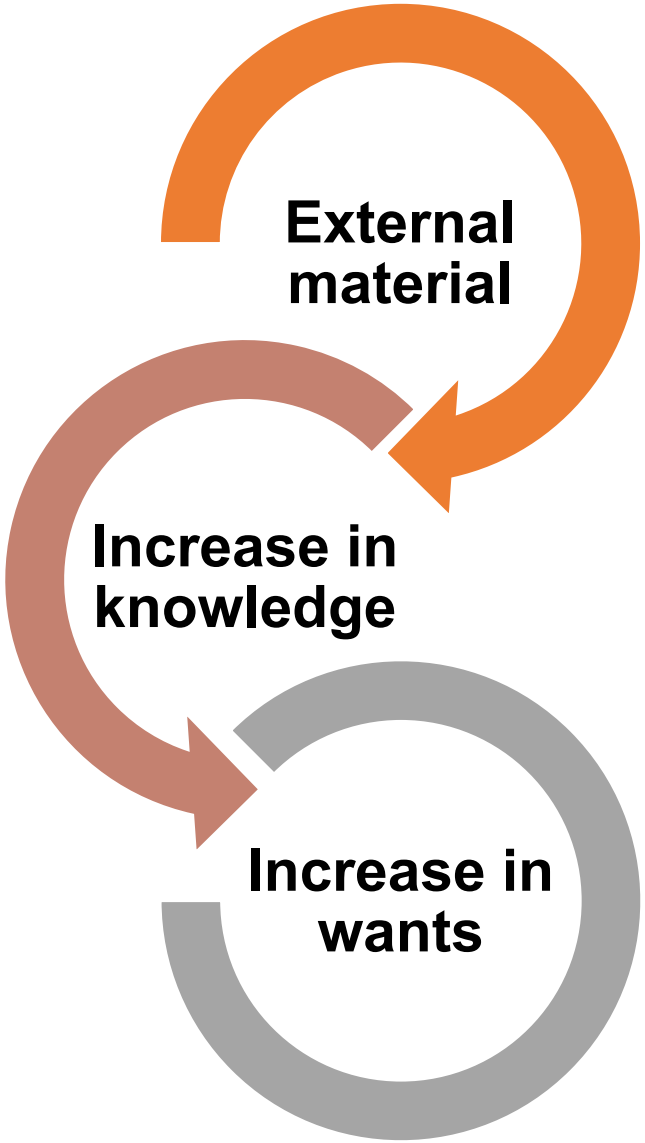
Man has wants

+

External stimulation

→

More wants



- Following the above reasoning, if man were only driven by economic wants without any ethical consideration:
  - The society will definitely become disordered
  - The majority of the human race would be unable to satisfy their wants.

- Ethical regulation leads to two results.
  - Ethical result:
    - Prevent the existence of rebellious and deceitful heart, and of violent disorder
  - Economic result:
    - Enhance sufficiency of supply for the weak, the few, the ignorant, the timid, the diseased, the old and young, the orphans and the solitary.
- But such regulation is best made by each for himself → through education

II.3 Social regulation of wants

- This refers to social order. In Confucian literature, the society is divided into five orders:
  - Emperor, princes, great officials, inferior officials, common people.
- Each class has its own standard and regulates its own consumption (more details about the concept of class equality later).

- There are rules about worship, quantity of sacrifices, and clothing.
  - *Excerpts from Book of Rites, Royal regulation*
  - *Excerpts from Book of Rites, the pattern of the family*
  - *Excerpts from Many Dewdrops of the Spring and Autumn, rules on clothing*
- You might argue that these rules limit economic development and are contrary to consumption-led growth theory.
- Let’s have a look at the rationales of these rules.

II.3.a The ethical rationale of consumption rules

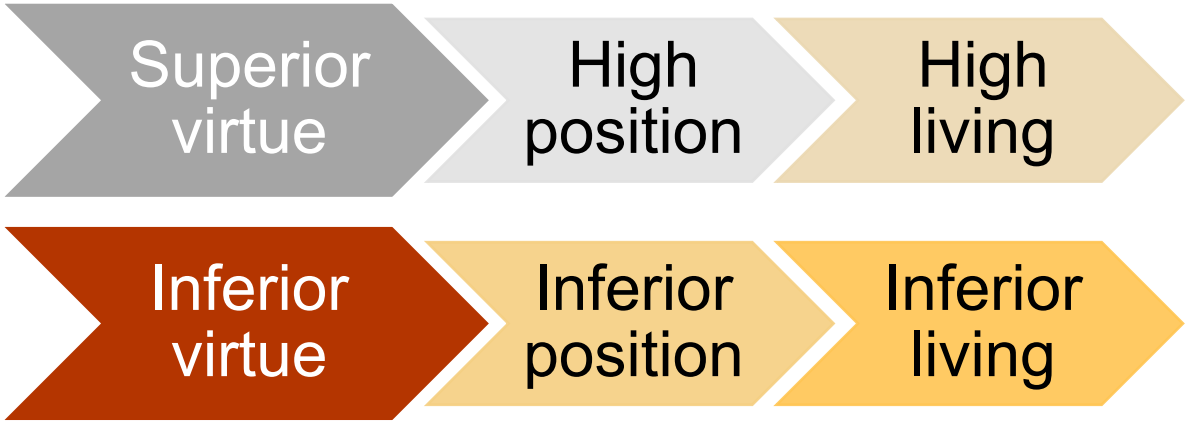
- The class system is not one based on caste, but on <u>the contribution of virtue</u> to society.
  - Reading: *Excerpts from Han's Commentary on the Canon of Poetry*

- Based on Han's commentary, the ancient Chinese gave full respect to those who had the following virtues:
  - Respect the old
  - Help the orphan
  - Be moderate in their getting
  - Diligent in working
  - Commended to their superiors.
- These people have special access to particular enjoyment, regardless of wealth.

- People have the freedom to move up to a higher class through work and virtue.
- One cannot raise the standard of living unless one raises the standard of morality
- The result is that people “compete” for rites, justices, merit and virtue, not money (at least not only money).

II.3.b The social rationale of consumption rules

- Although all are born with equally good natures and equal rights, unequal living is a fact.



- If the inferior virtue group can use everything which is used by the superior virtue group, there will be no respect but a fight for usurpation → disorder.
- To restore social harmony, high virtue must be given full recognition and privilege.

- *“Chariots and robes are conferred according to their services. Who will then dare not to cultivate a humble virtue? who will dare not to respond to you with reverence?”*

--- Canon of History, Yi and Ji

- *“We do not, of course, mean it to be inferred that all personal expenditure beyond mere necessaries is necessarily unproductive. The duties of those who fill the higher ranks in society can seldom be well performed unless they conciliate the respect of the vulgar by a certain display of opulence.”*

--- Nassau William Senior (1845), Political Economy

II.4 The financial conditions as regulation of wants

- Plain and simple: spend within your limit.
  - “Goods and wealth are not to be expected from the poor in their discharge of the rules of propriety; nor the display of sinews and strength from the old.”

    --- *Book of Rites, Summary of the rules of propriety i*
  - Refer to the reading on examples of consumption based on financial constraints.

    --- *Book of Rites, Tan Gong i & ii*

- *“The superior man does what is proper to the station in which he is; he does not desire to go beyond this. In a position of wealth and honour, he does what is proper to a position of wealth and honour. In a poor and low position, he does what is proper to a poor and low position. Situated among barbarous tribes, he does what is proper to a situation among barbarous tribes. In a position of sorrow and difficulty, he does what is proper to a position of sorrow and difficulty. The superior man can find himself in no situation in which he is not himself.”*

--- Book of Rites, Doctrine of the mean

- Common sense? Not quite…
- One may say that consumption according to means is a very common thing, and needs no special teaching from Confucius. This might be true. When we study human wants, however, we find that those who have means will spend more than is proper for them, and that those who have no means will spend more than they can bear.

- Human wants and the desire to spend more than one's ability are the source of corruption, robbery, and high personal financial leverage by the poor.
- Further, one may still feel discontented even if one spends within his means. Then, one needs to shift the focus of happiness from pure monetary to the pursuit of higher virtue
  - *"When the rich and noble know to love propriety, they do not become proud nor dissolute. When the poor and mean know to love propriety, their minds do not become cowardly."*

--- Book of Rites, Summary of the rules of propriety i