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"Economic Development in East Asia and Confucian Ethics"

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Fresh light on Confucian ethics

Most of the nations in the world attained their political independence after World War II. Then these countries have intended economic independence and development, but many of them are still suffering from poverty and economic backwardness. Through the first and second oil crisises from the 1970's to the early 1980's, only newly industrializing countries in Asia could join in the world industrial community, and the other developing countries dropped out. Thus the era that Japan had been regarded for a long time as an exception of successful modernization in Asia was over by the end of 1960's. Asian NICs in the 1970's, the coastal regions of China mainland in the 1980's, and even Vietnam in the 1990's, have faced economic development.

As the 21st century approaches, the focus of world economic activity is clearly shifting from the West to Japan and a handful of newly industrializing countries on the East Asian fringe. Since 1983, the East Asian nations, including Japan, have come to surpass Europe in terms of respective shares of U.S. foreign trade. What this means is that the world's largest volume of economic activity now flows from East Asia across the Pacific.

In this situation, a new approach is being made to the East Asian problems both in Japan(1) and abroard—namely attempts to explore a key to the economic development of the region in the context of its definition as the Confucian Culture Area. Highly sephistcated academic studies have recently been started with a view to throwing fresh light on Confucian ethics, and exploring the traditions and spirit which contribute to modernization, industrialization and economic development in East Asia. Japanese journalism sometimes discusses se-called Confucian Capitalism. (2)

What is the Confucian Gulture Area?

If East Asia is defined as a Chinese Culture Area or a "Kanji" (Chinese character) Culture Area, or, at its simplest level, the "Chopstick Culture," apart from the "Three Chinas" (3) (the People's Republic of China. Taiwan and Hong Kong), it includes such countries as Japan, the Republic of Korea, the People's Republic of Korea, Singapore and Vietnam, and even the overseas Chinese communities in South east Asia.

However, Confucian Culture Area is a term that must be examined with close critical scrutiny. First, we must at all times be concious of the fact that we easily fall prey to trite cultural anthropological formulas. A second problem in promoting the idea of a Confucian Cultural Area is recognizing the fact that Confucian culture, in actuality, has no meaningful direct infulence on real economic development in East Asia. In this respect, Confucian culture means the common historical experiences of Confucian othics and norms which have influenced East Asian society. It dose not mean Confucianism and the study of The Analects of Confucian, for there are no direct linkages between Confucianism and economic development. It can

be said that traditional Confucian culture itself is gradually dying out in East Asia.

On this point. Professor Donald Dore, an author of a book on Japan's economic development with respect to Confucian culture(4), said. "By Confucian culture I intend something like the following: 'a core complex of values, beliefs and customs which have characterized the dominant sectors(classes/regions) of the society, and which have reinforced by reference to people, traditions or scriptures which have explicitly called themselves Confucian.'"(5)

The People's Republe China, meanwhile, despite its official adoption of the so-called "Reform and Open Door" policy for modernization, and its recent drive for economic growth, still has a long way to go before it achieves a transformation in industrial structure. and it would be unrealistic to describe China today as an industrial society. North Korea also lags sorely in terms of industrial development, particularly in comparison with South Korea. Vietnam is now becoming a country attracting considerable attention in terms of ecomomic development, but its level of economic activity is very low. What should be noted here is the fact that even though some countries have Confucian traditions, it is quite difficult to succeed in any atempt toward modernization and economic development as long as it works under a socialist system.

Reality in East Asia and modernization theories

The fact that the East Asian countries are making remarkable progress in terms of economic development today, would mean that the actual reality of these countries has already outstripped modernization theories.

Needless to say, Marxism, socialism, or a theory of planned economy are no longer valid models for modernization. The American model for modernization based on rationalism, or pragmatism, aimed at a highly consumptive mass society has been in a stalemate in these days.

However, there is a more comprehensive thought of modernization. That is Max Weber's theory. In his famous writing Ethics of Protestantism and Spirit of Capitalism and Confucianism and Taoism. (6) Weber wrote that modernization and industrialization could be attained only in the Western society where the asceticism and willingness to Work, symbolized by the "P rotestant work ethic." were regarded as a nucleus value controlled by the strict withos of Puritanism named "Walt ablehnung" (rejection of mundane world). He, at the same time, tested the question of why Confucian rationalism, which approves gain and affirms the mundane world optimistically, cannot lead to the growth of modern capitalism, in constrast with the Western Puritarian or Protestant society in which gain is denied and the mundame world is strictly rejected.

Nevertheless, beyond his ostimation, the so-called Confucian countries in East Asia have begun to show a very high posibility actually in developing their capitalist economies from the 1980's down to the 21st century.

Characteristics among nations

As noted earlier, the Confucian Culture Area might alternately be recognized as the Chopstick Culture. Yet despite this blanket categorization, indivisual countries demonstrate their own particularities. The Chinese prefer long, thick chopstics which they reuse indefinitely. Japanese tend toward shorter, thinner chopsticks made of natural wood which are disposed after a single use, while Koreans opt for thin, metallic(silver) chopsticks. This same nonuniformity exists in matters of Confucian ethics: each country follows Confucian doctoring according to its own individual interpretations.

The Confucian virtues themselves are interpretated in varying manners in China and Japan, and also in South and North Korea and other countries. Confucian doctrine is primarily based on two principles: loyalty and filial piety. These in turn are sustained by five virtues: benevolence, duty, ritual, wisdom and trust. Traditionally, Japan and Korea have attached greater importance to the principle of loyalty than China. According to Dr. Yoshio Takeuchi, author of an authoritative work The Spirit of Confucianism on the Confucian spirit: "Whereas Chinese Confucian ethics have focused on the family and the concept of filial piety, in Japan these same ethics have been advocated principally in terms of the national state and loyalty rather than filial piety." (7)

While the social emphasis on filial piety has been greatly diminished in modern Japanese society, it continues on in a deeply profound level in South Korea,

where respect for elders remains an ingrained tradition.

Among his five enumerated virtues, Confucius himself assigned highest value to "benevolence," which he defined as sincerity deriving from man's intrinsic emotions. In Japan, however, the idea of benevolence, which is the wellspring of humanitarianism in the Confucian context, has had only limited appeal. In constract, it is valued extremely highly in traditional China.

The virtue defined as "ritual" is generally ingrained in society as a norm of behavior established through habitual custom. As a social standard, stress on ritual is identifiable in all nations in the Confucian Culture Area. It is perhaps most strongly present in China. In modern Japan, the highest Confucian virtue would appear to be "duty."

Even with these great mutual differences, however, we cannot help but note that the fact the nations of the Confucian Culture Area, as a whole, are experiencing great economic development as present.

Cofucian culture and economic development

Now let me touch upon some important aspects of Confucian culture with respect to economic development.

The most distinctive feature of Confucian culture, in my supposition, is the social order based on family collectivism or small groups operating in the society (8) In his recent book, Professor Il-gon Kim said, "In East Asia, successful development of economy

was brought about by the cultural background of Confucian collectivism which affected the capitalist systems. (9) This is an interesting observation. It suggests that collectivism tied to Confucian ethics may be an important factor behind the economic development of countries in East Asia.

Family collectivism. furthermore, affects more business corporations clearly demonstrate. family collectivism also sets a standard for corporate management through the organization of an entire group life style, embracing the corporate members as well as their families. The genealogy of the powerful merchants of the early Edo Period who came to form Mitsui, Sumitomo and other big businesses known in Japanese as Zaibatsu, provides evidence of this phenomenon, and the same process is seen in the case of South Korea's financial institutions as well. Here it is also important to note that the Confucian Doctorine of "following the middle path," or seeking "harmony," or Wa in Japanese, serves an important cohesive and harmonizing role in corporate activities. It is not impossible, even, to recognize the lifelong employment system or individual corporate labor union as manifestations of Confucian thought.

A second distinguishing feature of the Confucian culture Area is its strong emphasis on learning. The necessity to master <u>Kanji</u> characters, there are thousands, has played a particularly effective role both educationally and socially in all nations belonging to the area. With the exception of the China mainland under the socialist regime, the nations in the Confucian Culture Area all boast high levels of general education and high literacy rates, which are ultimately attributable to the Confucian emphasis on education.

Accordingly, knowledge intensified soil exists on both central and local levels in present-day Japan, Taiwan. South Korea, and other regions in East Asia. Needless to say, the existence of such a foundation is essential in the development of know-how needed for modernization and industrialization.

The third and most important point is that Confucianism was originally more a code of ethics than a religion. Professor Leon Vandermeersch, after associated with economic development to be "famille(fami ly)," "rite." and "mandarinate(high-officialdom bureaucracy)," says. "one of the distinctive characters of the Confucian system of communality is being completely free from religious belief." (10) Because it is not a religion in the strict sense of the word, Confucianism has coexisted in Japan with Shintoism, and in China with Taoism. In other words, Confucianism is an extremely "tolerant" doctoring a set of social norms or moral laws rather than a religious faith. This coexsistence with other religions and its own nonrestrictive religious nature are the decisive elements that separate Confucianism from ruligious such as Islam or Catholicism. And it would seem that this liberal code of ethical behavior, in conjunction with the aforementioned distinguishing traits of Confucian culture and its inherent worldly rationalism, inspires a sense of practical realism and empiricism which serve a major function in laying the foundation for an industrialized society

In the meantime, there is the famous book Rongo to Soroban(The Analects of Confucius and an Abacus) written by the Japanese business pioneer Eiichi Shibusawa, who learned Sekimon Shingaku, a new Japanese Confucian school affirming the thoughts of "ri(profit)"

and exerting influence on the chonin (townspeople) class in the middle of the Edo Period, and positively re-read The Analects of Confucius to remove the Confucian interpretations of the Chu-tzu School and consider the jingi (a code of conduct) and fuki (wealth and high rank) compatible. The two ideas of business recognized in this book, i.e., giri-ryozen (integrating morality and profit) and chifu-keikoku (running the state by reaching the wealth) should help to cast new light on the up-to-date framework of Confucian Culture Area. (11)

Conclusion

Needless to say, merely pointing to Confucian cultural influence does not provide all the answers when attempting to analyze the economic and social development of Japan and the NICs in East Asia.

Indeed, the economic backwardness of China, North Korea and Vietnam with comparison to Asian NICs might better be understood in terms of the problems inherent in their socialist political systems. Concerning Japan, success must be attributed to its total acceptence of modern European ideals, culture, science and technology after the Meiji Restoration, as well as to such basic and logical factors as the domestic reforms implemented after World War II and the enormous influence exerted by contemporary American industrial civilization.

Like this, numerous factors contribute to social and economic development in each countries. But once the economic take-off has begun, Confucian culture definitely provides a positive environment for its enhancement.

NOTES

- (1) In Japan, "Comparative Studies on Economic and Social Development and Modernization in East Asia" (abbreviated as "Comparative Studies on East Asia") was organized for 1987—1991, as a large scale joint research project of Scientific Research on Priority Areas sponsored by the Minstry of Education, Culture and Science. I was Chief Coordinator for this project.
- (2) For example, Mineo Nakajima, "Asia's Prosperity and Confucian Capitalism," <u>PRESIDENT</u>, March 1993.
- (3) See Mineo Nakajima, "The Three Chinas in Asia's New Order," <u>Japan Echo</u>, Volume XX, Special Issue, 1993.
- (4) Donald P. Dore, <u>Taking Japan Seriously: A Confucian Perspective on Leading Economic Issues (London: The Athlone Press, 1957).</u>
- (5) Donald P. Dore, "Confucianism, Economic Growth and Social Development," Paper for The Third General Assembly of "Comparative Studies on East Asia," September 16, 1989.
- (6) Japanese translations: By Tsutomu Kajiyama and Hisao Ohtsuka(Tokyo: Iwanami Shoten, 1955); By Norio Kimata(Tokyo: Sobunsha, 1971), respectively.
- (7) Yoshio Takeuchi, <u>The Spirit of Confucianism</u>(in Japanese)(Tokyo: Iwanami Shoten, 1939), p.213.
- (8) On this expression, see Kim Il-gon, "Order and 10 -



