

# Confucianism and Material Enrichment: A Political-Economic Perspective

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## Abstract

In contemporary politics, ethics are often sidelined in favour of other priorities, such as power, wealth, or short-term gains. From the perspective of Chinese society, this may imply that Confucianism, which emphasises moral cultivation as a core principle of its teachings, does not contribute much to addressing political issues in democratic societies. Confucianism is indeed aware of the importance of materialistic gains in achieving political goals and the tendency to stress self-interest in the process of decision making. In addition, Confucianism is cautious of the consequences when power, wealth, or self-interest becomes an end in itself. By making clear a distinction between the personal and official, and engaging Confucian thoughts through historical texts, it is found that Confucianism does not disapprove the pursuit of material prosperity or self-interest but is concerned over the moral motivation of a self-interested person vis-à-vis moral and political goals. The question and possible account revolving moral motivation is where Confucianism can contribute relevantly to contemporary political discourse.

**Keywords:** Confucianism, material enrichment, moral cultivation, *Hanshu Shihuozi*, moral motivation

## Introduction

In one of his influential books, *The Religion of China: Confucianism and Taoism*, Max Weber (1864–1920) argues that the pursuit of the conception of “gentleman” or “cultured man” has led Confucianists to focus too much on striving for the perfection of personality. He further explained, that although economic activities are appreciated in Confucianist literature, the endeavour to strive for wealth is not assured because of the focus on self-perfection through ethical achievement. This has led to Confucianists caution towards economic acquisitiveness (Weber, 1951). Weber’s view has been the subject of debate following the rapid economic growth of the “Four Asian Tigers”, all regions deeply influenced by Confucian ethics. Whether Confucian ethics has its role in bringing economic development to the regions, or that Weber’s account on Confucianism might be wrong, is not the main concern of this paper. While Weber’s observation on Confucian attitude towards wealth is generally true, and we can find many similar accounts from the classic texts, Weber overlooks (or intentionally disregarded) the fundamental fact that the concepts and categories used in Chinese thoughts and philosophy cannot be easily transferred from one socio-cultural context into another, and it is often difficult to understand them through the lens of traditional Western way of perceiving concepts and categories (Jana, 2021). Chinese language is elliptical in nature, highly reliant on contextual understanding, and a condensed style of expression. Thus, a straightforward statement of, for instance, “He who seeks to be rich will not be benevolent” (*Mengzi*, 3A.3).<sup>1</sup> may seem to suggest mutually exclusive relation between material enrichment and morality, if the statement is interpreted literally. Meanwhile, *Mengzi* (372–289 B.C.E.) also stated that material enrichment is essential for the achievement of social harmony (*Mengzi*, 7A.22). If both views were to be true, then it would require downplaying the principle of morality, which is in contradiction with Confucian tenet. There are many similar examples from other canonical Confucian texts. Either we concede that the Confucians are making contradictory remarks, or we look into the context of the remarks and find the true meaning from which we can draw. This study attempts to do the latter. The purpose is to examine the distinct types of political questions that Confucianism would raise, with moral cultivation as the central focus. The first is to analyse how moral cultivation operates not only at the personal level but also at a governmental level, drawing on textual evidence from classical Confucian works. The next is to argue that moral cultivation extends beyond shaping individuals toward ethical excellence. As demonstrated in the *Hanshu Shihuozi* (汉书·食货志), the character depiction of moral agents is not the sole source of guiding principles in moral cultivation. Instead, the text emphasises a key political question: how to motivate the rich towards the desired direction set by the government to provide welfare for the general public.

### The Role of Moral Cultivation

In the Confucian text *The Analects*, there is a remark by Kongzi (551–479 B.C.E.) on the relations between economy and moral education:

Confucius arrived in the state of Wei accompanied by Ran You. He said, “this state is populous.” Ran You asked, “now that there is a large population, what should be done?” Confucius said, “enrich the people.” Ran You asked again, “what else should be done when people become rich?” Confucius answered, “educate the people.” (*The Analects*, 13.9)

Ran You was asking the Master about what should come first in order to govern a state. Kongzi’s reply was direct: it was material enrichment (*fu*, 富) before moral education. By material enrichment, he means, in general, enriching the people in material terms, such as food, clothes, shelter, money, and so on. How should a government enrich the people? Kongzi would say that a government should take heed of what the people regard as material benefits (*li*, 利), and provide the conditions for pursuing these material benefits (*The Analects*, 20.2).

However, does the priority on material enrichment imply that the people should pursue material benefits before being educated? This may not be the case for Confucianism as a Confucianist would claim that moral cultivation is the root of everything else.<sup>2</sup> Mengzi, for instance, asserts that being morally cultivated means that one puts propriety (*yi*, 义) on top of everything, including one’s life.<sup>3</sup> Yan Hui, one of the Kongzi’s most commendable students, could endure the physical distress of life, and yet being contented and virtuous (*The Analects*, 6.11). In this regard, what Kongzi means is that one can become morally cultivated without pursuing material benefits, and it might not be correct that an individual should pursue material benefits before being educated. Does it mean Confucianism provides two prescriptions which are in contradictory? It is apparent that we cannot claim the priority of propriety and material benefit at the same time.

Note that the discussion in *The Analects* 13.9 and 6.11 are different; the former targets the general public, while the latter targets a specific individual, Yan Hui, or the first person “I” in the case in *Mengzi*. The specific individual or first person is not a representation of the general public. Thus, when Kongzi claims that one can become morally cultivated without emphasized material benefit, it is not the same when he claims the general public should be provided with material benefits before being educated. We cannot even be sure from the textual evidence above that Confucianism would claim “one should prioritise propriety” when Kongzi only mentions the moral ability of Yan Hui, and Mengzi only mentions the tendency of one liking and choosing propriety. One should not conclude that “one can do something”, which denotes one’s ability, to “one should do something”, which denotes one’s normative requirement. The remarks are not meant to treat

specific individuals and the general public in collective sense in the same way.

The two stances In Confucian teachings are, on the one hand, a government should prioritise material enrichment and, on the other hand, Confucianism “should”) prioritise propriety. Textual evidence supports these two different stances. When the focus is on the role of individuals, the standard of propriety is emphasised. Other than the examples above, Kongzi also mentioned, exemplary persons understand what is appropriate, while petty persons understand what is of personal benefits (*The Analects*, 4.16). A scholar, whose mind is set on the Way (*Dao*) but is ashamed of shabby clothes and bad food, is not worthy of discourse (*The Analects*, 4.9) The way of differentiating between a virtuous person and a vicious person is simply the interval between the thought of virtue and the thought of gain (*Mengzi*, 7A.25). From the examples, it is clear that the focus is not on the government, but on different kinds of individuals, such as exemplary or petty person, virtuous or vicious person, or the first-person point of view.

When the focus is on the role of government, particularly on the question of how to govern a state, the priority of material enrichment is stressed. A government should make enriching the people its priority. For instance, Mengzi considered that where there is no constant productivity there would not be a persevering heart that is conducive to moral cultivation (*Mengzi*, 3A.3). A government should enrich the people so that they would have silk cloth to wear and meat to eat (*Mengzi*, 1A.3). Xunzi also said that a true king should focus on increasing productivity to ensure social harmony.<sup>4</sup> This suggests that the Confucian stance is that the government should pay heed to social productivity.

Even granted that Confucianism has these two different stances, it cannot be concluded that the realms of politics and morality in Confucianism are separated. In fact, a core idea of Confucianism is that moral cultivation is the root of everything. On the relation between material enrichment and moral cultivation, for one to become morally cultivated, one needs internal as well as external forces in order to become virtuous (Li, 2014). According to Li, on the one hand, Confucians emphasise the importance of personal effort, which is the internal force, in moral cultivation. This is the commitment and the ability of a person who acts according to propriety. On the other hand, Confucianists hold the government, which is the external force, accountable to create an environment conducive to people’s education and cultivation. In other words, in order to achieve moral cultivation, there are two trajectories. One way is to focus on the role of an individual to find his way towards a virtuous life; another way is to focus on the role of government to enrich the people towards a virtuous life.

One important point in Li’s study is that politics and morality are not mutually exclusive. It is possible to distinguish two different kinds of questions from Confucianism revolving around moral cultivation: the first is “how should one focus on propriety to work towards a virtuous life?” The second is “how should a government enrich the people materially, so that their condition is conducive to a virtuous life?” Even though the government should prioritise material enrichment, it

does not mean that this priority in political thinking should exclude ethical concerns.

This study is concerned with the second question of “how a government should enrich the people materially, in order that it is conducive to a virtuous life?” This is probably the most salient question that would be asked in Confucian political philosophy. Although many early Confucianists did not mention it explicitly, yet the notion of making material enrichment the priority of political concern implies that a government should work on policies which are in favour of economic development. It is emphasised that the discussions revolving around material enrichment at the governmental level is specifically about the political-economic arrangements and distributive problems. It is not related to the study of economics in the modern sense which concerns primarily logistic or technical issues in economic relations, especially those connected with the functioning of the markets.<sup>5</sup> In fact, early Confucianism did not have the modern understanding of economics, and the discussions on economic activities based on the texts we have are inseparable from political matters. In this regard, by material enrichment at governmental level, the government should take heed of ethical considerations in planning economic activities.

### **Wealth and Moral Cultivation**

The problem that is posed is how can an economic policy of enriching the people at the same time promote moral cultivation? Does Confucianism provide any clue on making a normative assessment of this economic issue? One may search the ancient texts such as *The Analects*, *Mengzi*, or *Xunzi* for the criteria of making normative assessments on economic matters. However, depending entirely on these texts is insufficient, as they are too general for an examination of the problems concerning the relation between material enrichment and moral cultivation. What is known about material enrichment from Confucian teachings is “enriching the people materially” in general. Mengzi and Xunzi were more specific when referring to enriching the people as increasing their productivity. Neither of them provided a systematic account as to what are the “materials” that were being enriched, or how to enrich the people with the “materials.”

There are two trends of investigation which can be found from current scholarship in efforts to make sense of Confucian teachings on distributive economic problems. One of the trends tends to examine the ethical concerns through the political-economic discussions of Confucianism. The advantage of this line of thinking is evident. Since early Confucians are more specific in their ethical stances, it is a reasonable choice to argue from the ethical part through the political part. One study discusses how the understanding of Mengzi’s idea of distributive justice can be understood from the understanding of propriety or *yi* as “relational appropriateness” (Tan, 2014). By reinterpreting the ethical concept of *yi*, Tan anticipates such an attempt may offer a different perspective to contemporary discussions on distributive problems.

Similarly, by drawing on insights from Confucian virtue politics, another study investigates what constitutes a good government in the Confucian tradition (Kim, 2019). Kim stipulated six core tenets of “Confucian moral economy”<sup>6</sup> from which it may be possible to develop the criteria of normative assessment.<sup>7</sup> The tenets comprise of an account of the good life that regard both moral and material well-being as to be desired, an account of the good that highlights interpersonal relationships and symbiotic moral growth between individual and community. The tenets also include the attempt to explain the inequality that may occur from the account of the good. However, he is aware of the restriction of the stipulations which include on the lack of being specific enough to account for how the Confucian moral economy originates, how it functions, and what it achieves (Kim, 2019).

Another trend of investigation focuses on constructing the Confucian account of economic ethics. Different from Kim and Tan, this line of thinking begins with the economic concerns, which may not restrict to political-economic concerns, but broadly include traditional and modern understanding of economics to argue for the theoretical, practical, and contemporary significance of Confucian thought. There has seen an emergence of research on the economic ethics of Chinese philosophy in recent decades, though this is very much restricted to Chinese-language scholarship. Research is done to seek a general, historically laden overview of Chinese philosophy on the issues (see Tang & Chen, 2004; Zhu, Wen & Luo, 2002; Wang, 2005). Some of these attempt to construct a theory of Confucian economic ethics to make it more practicable in today’s world (see H. Zhang, 2010; Ruan, 2013). The former tends to represent a faithful understanding of Confucian economic-ethical thoughts through conceptual analysis, and the latter tends to selectively develop certain concepts which they deem useful for theoretical reinterpretation and application. However, the research has the same shortcoming with Kim’s in which it is not known how the conceptual framework of Confucian economic ethics is developed, how it functions, and what it achieves. They are either using modern understandings of economics, which Confucianism hardly shared, to explain Confucian economic ethics; or heavy-laden with historical representation of Confucian conceptual development where the discussions might not be philosophically rewarding.

This study attempts to overcome the limitations presented by Kim. Instead of arguing from moral terms to derive political solutions or selectively choosing a relevant conceptual framework from Confucianism, this research takes the opposite approach. It is unsatisfactory to focus solely on ethical concerns when one is not sure about the kind of political issues which one is dealing, or to dwell only on the conceptual development by different thinkers. A better approach is needed to understand Confucian economic ethics and to address the main question effectively. This requires more specific and systematic discussions on the distributive problems from those based on Confucianism. The approach involves starting with the consideration of political problems and then identifying the relevant ethical considerations that can contribute to solving these problems.

In this case, the required morality is expected to be narrower in scope, as certain considerations or frameworks may not be relevant to the issues at hand. These considerations should help in understand why moral cultivation is crucial and how it is integrated into the formulation of economic policies.

Current discussions reveal another deeper methodological issue. One may wonder why it is necessary to identify a narrower scope of morality in the first place. Since the subject matter is about the applicability of morality, there are plenty of resources from normative ethics that may be used. The primary concern of normative ethics is to develop and evaluate ethical theories and frameworks that can help determine the correctness or otherwise of actions. If there exists an aspect of distributive problems which involves guiding an individual towards the right actions, then establishing a set of rules, principles, or values might provide the satisfactory guidance. This set of rules, principles, or values may be applied to that particular distributive problem without the extra step of identifying a narrower scope of morality, as the set of rules, principles, or values represents morality itself.

This line of thought is very appealing. The problem is, what normative ethical theory did early Confucianism best represent? There are plenty of different answers provided by researchers to this question, including sentimentalism, care ethics, pragmatism, Kantianism, Aristotelian virtue theory, and so on. It seems like, if one is able to identify what kind of normative ethics Confucianism represents, then the set of rules, principles, or values can sufficiently guide one on practical matters, including political policies on distributive problems. However, a study by Nichols (2015) points out the inconsistency among the different positions of early Confucian normative ethical theory. He concludes that it is highly likely that the philosophical study of early Confucian normative ethical theory forms an academic dead-end. If this is correct, then the approach of starting from a set of rules, principles, or values might not be helpful. Either one is approaching the wrong way, or one has to concede that Confucianism cannot provide the answer to the question. At this point, I assume the former and leave the detailed arguments on why it is a wrong way to the later discussions.

This tension between normativity and practicality is not alien in the development of Chinese philosophy. The terms that best represent this tension are probably the concepts of inner “sageliness” (内圣) and outer kingliness (外王). Although these two terms are found in the *Zhuangzi*, which is a Daoist text, the concepts are closely associated with moral cultivation and governance, with virtuous agencies as the focus. Inner sageliness refers to the process of moral cultivation concerning one’s moral character and virtues. It involves nurturing values such as benevolence, righteousness, propriety, wisdom, and so on within oneself. The emphasis on inner sageliness highlights the significance of moral growth in Confucian ethics. Outer kingliness, on the other hand, pertains to the application of one’s moral achievements to practical use, such as in the realm of governance and leadership. It involves acting as a virtuous and exemplary leader in society, promoting moral values, and creating a harmonious and just social order. The emphasis on outer kingliness highlights



the responsibility of leaders to govern with the values they have cultivated, for the well-being of the people and the state.

It cannot be denied that the concept of inner sageliness may be a source of ethical principles, but it does not entail that Confucianism would deem the ethical principles as the only morality to which one should refer. While inner sageliness and outer kingliness rely heavily on the descriptions of how moral agents look like and how they normally act so that one may derive certain moral standards from the phenomena of moral agents, this study aims to focus beyond what a virtuous agent can provide. There are principles that may be attributed to a virtuous figure, and these principles may be useful for creating a harmonious and just social order. How are they being applied? Do ethical principles alone provide a comprehensive overview of what is right and wrong? Are they applied to everyone impartially, regardless of their unequal socio-economic backgrounds? These are all follow-up questions towards understanding Confucian economic ethics but it is hardly possible to find satisfactory answers merely from the dominant Confucian texts.

To disentangle the tension between inner sageliness and outer kingliness, it is necessary to differentiate between the two aspects of outer kingliness. The first aspect concerns who should be the leaders of society. In this regard, the characterisation of inner sageliness can serve as the principle that guides us towards virtuous leadership. In political philosophy, it pertains to the legitimacy of political leaders. The second aspect concerns how a harmonious and just social order is established through virtuous leadership. Consequently, the characterisation of inner sageliness could help us understand how to lead the people towards a harmonious social order. In political philosophy, it involves the structuring of institutions and what ethical considerations are needed in policymaking. Through this interpretation, a coherent framework within Confucianism may be constructed to enable its tenets to be more effectively applied to contemporary social issues.

### ***Hanshu Shihuozi as Method***

There is a lack of details from Confucianism to bring out the criteria of a good policy that contains the considerations of moral cultivation. Confucianism does not discuss distributive problems in a direct manner. However, the lack of information is not irremediable. One has to be more creative in selecting textual resources and in interpreting Confucian ethics. One may resort to other possible textual resources which provide related discussions on distributive problems. The guiding aim is to investigate what has been considered and said in ancient texts without introducing new components to the texts. If there is any consideration or component in contemporary philosophical discussions which is close to the texts, then it may be utilised primarily to support the textual observations. To this end, a useful source is the historical text of *Shihuozi* (食貨志) from *Hanshu* (汉书 or the *Book of Han*, or *History of the Former Han*).



*Hanshu* is an official account by Ban Gu (32–92 C.E.) mainly covering the period from 206 B.C.E. through to the end of the Xin dynasty (新朝) in 23 C.E. Like the *Spring and Autumn Annals*, historical writings in ancient China are not merely a linear representation and description of historical episodes; they often include normative assessments of the topics discussed. In other words, a historical text is often also a philosophical text. For instance, Sima Qian (145–86 B.C.E.) views the *Annals* as a historically grounded guide to moral conduct and applies the same approach of writing in completing the *Shiji* (Records of the Grand Historian).<sup>8</sup>

The chapter entitled *Shihuozi* in the *Hanshu* is a treatise on food and money) and touches on issues of the political-economic situation. It records in detail every known land, trade, fiscal, and monetary policies from pre-Qin to the short-lived Xin dynasty which at the same time encompasses attempts to evaluate the appropriateness of economic policies. The chapter is divided into two main parts. The first part is on the food economy, which is roughly equivalent to agricultural conditions and the second part is on the money economy, which is roughly equivalent to commerce and industry. Both parts represent the political intervention on economic activities by the government in ancient China.

Since the focus of this paper is on Confucianism, the text must also be based on the standards of Confucianism. There is no doubt that the text is Confucian-based as Ban Gu was schooled in the teachings of Confucianism which was then the official political ideology of the time. Most importantly, the chapter shares the notion of placing priority on material enrichment over moral education, but with substantial modification. For *Shihuozi*, to take priority on material enrichment over moral education means:

With food enough for everyone and commodities circulates in general, it followed that the state was replete in resources and the people were rich. Consequently, the education and fostering of the people was successfully undertaken (*Shihuozi*, 24A: 1b, 111)<sup>9</sup>

*Shihuozi* asserts that moral education would take effect when the people and the state are materially enriched. *Shihuozi* does not simply reiterate and apply the standards advocated by pre-Qin Confucianists but deepens the political concerns by specifying the distributive problems faced during the time. Unlike *The Analects* which touches upon material enrichment in a general way, or thinkers such as Mengzi and Xunzi, who understand material enrichment as ensuring social productivity, *Shihuozi* takes into account the problems of production and circulation. Moreover, it does not merely discuss enriching the people indistinctly but consider enriching the state as a way to enriching the people as well. Such an account is probably unimaginable and unapproved by Confucius as the policies that favour enriching and strengthening the state only emerge in the

Warring States Period, which is particularly a feature of the political philosophy of legalism (Hsiao, 1979). Thus, in *Shihuo zhi*, the central question about material enrichment is refined from “How should a government enrich the people materially, so that it is conducive to a virtuous life?” to “How should a government increase social productivity that can achieve the balance between agriculture and commerce, between the state and the people, to reach the goal of moral cultivation?”

Among the many Confucian-based texts that deal with economic policies, *Shihuo zhi* presents a review of the economic problems faced by ancient China from pre-Qin through Han dynasty, including the problems discussed in *The Analects*, *Xunzi*, *Mengzi*, and other texts. Hence the *Shihuo zhi* may be the main reference for understanding Confucian ways in dealing with distributive problems.

The intention of *Shihuo zhi* in consolidating previous debates is represented by its consistent view in dealing with institutional and ethical problems. The text constantly reiterates the importance of avoiding bad consequences, such as natural disasters or political or ethical failures, as the main consideration for making economic policies. The consideration is significant not only because of its philosophical implications, but because it has a clear and explicit locus in discussing economic problems. The pre-Qin Confucian texts are too sketchy while other historical texts fail to provide a consistent thread to follow their discourses. In general, the official scholars over-emphasised political considerations while the folk scholars focused largely on ethical considerations. One cannot pinpoint a definite locus on the economic-ethical discussions. In this regard, *Shihuo zhi*'s consistency in avoiding reference to negative outcomes offers a way to reconcile the discrepancy between the institutional and ethical concerns. In short, attention is drawn to *Shihuo zhi* because it is the first consolidation of Confucian views on economic problems and presenting a clear locus in discussing the normative assessment of economic policies.

### Motivating the Rich

*Shihuo zhi* contains an account that relates institutional problems to ethical problems in the situation below:

At the present time the laws and regulations of the government disesteem the trader, but the trader is already rich and honored. Laws and regulations dignify the farmer, but the farmer is already poor and disadvantaged. What the people honour is what rulers disregard; what officers disdain is what laws dignify. Since the government and people oppose each other, what they prefer and what they hate are contradictory and conflicting .... nothing is more urgent than to make the people devote their attention to agricultural production. If one desires to make the

people devote themselves to farming, it is necessary to make the grain valuable (*Shihuozi*, 24A.12a: 166).

According to *Shihuozi*, food and money are the two preferences of the people. The food, or agricultural products in general, is the main source of social productivity. The money includes textiles, woven from vegetable fibres and silk, metals, knife money, tortoise shells, cowries, and so on, with which the wealth may be divided, benefits distributed, and the people can exchange what they have for what they have not (*Shihuozi*, 24A.1a). However, the preferences of the people may cause unintended consequences. When more people prefer money, it would be at the expense of social productivity. Without production for circulation and exchange, the people would shift their focus to exploiting natural resources such as salt and iron for reaping material benefits (*Shihuozi*, 24B.11b). When the people shift their means of subsistence to these industries, it seriously depletes agricultural production. The traders who gain wealth through the profitable industries in turn exploit the people and further exacerbate the inequalities between the rich and the poor. The popular conventional view during the Western Han was to regard agriculture and commerce as two opposing forces, which led the government to disesteem the trader and dignify the farmer.

Regardless of the historical background, what the government sees as good and bad is contrary to the view of the people. Consequently, the rules and regulations set up by the government are ineffective as it is not in the interest of the people to observe them. The crux of the problem is how should the government set up rules and regulations that will be followed by the people. The options reflected in the situation are depicted in Table 1.

**Table 1**

*Economic Outcomes based on Preferences of Different Social Roles*

Social Classes	Economic Outcomes	
	When most people prefer money	When most people prefer productivity
Farmer	Hunger & poverty	Prosperity
Trader	Wealth	Prosperity
General	Good only for certain people.	Good for everyone.
	Government intervenes through money economy.	Government intervenes through food economy.

*Shihuozi* advocates the people choose what is the best for themselves, in this case, to be rich is the best option. However, *Shihuozi* also believes that economic inequality is the result of the people's preferences. When most people find productivity valuable, there would be relative equality among the people; when most people find that money is valuable, there would be inequalities between the

farmers and the traders. The role of government is to close the gap of unequal outcomes between the rich and the poor. There are two options for the government: first, to adjust the preferences of the people through food economy (*Shihuo zhi*, 24A.12a) by making the food valuable and to direct more people to get involved in social productivity; second, if the preferences cannot be adjusted, the government should gain more control through the money economy, which is to control economic activities through fiscal and monetary policy.

There would be no significant negative social impact when most people prefer productivity, provided that the food economy is successful. If the food economy itself is successful, there is no need to involve any ethical concern at all, as the people's preferences can be easily adjusted through rules and regulations based on a conception of social goods where the situation is good for everyone. But the problem arises when the rules and regulations fail to fix the people's preferences and actions. If the government intends to direct the people towards social goods, the direction must be able to prompt the people, who prefer to act what is the best for themselves, to follow the rules and regulations. In this regard, the increase in social productivity does not imply the suppression of commercial and industrial activities. It is after all about the balance between agriculture and commerce, between the state and the people.

It is apparent that the ethical concern of Confucianism revolves around the issue of economic development. Confucianism aims to guide people away from the obsession with making maximum profits, particularly those which are unsustainable and unproductive. From the situation described in the *Shihuo zhi*, we know that Confucianism believes that the people's desires can be guided so that they can stay on the path towards collective prosperity. In short, if there is an ethical consideration which is characteristically a Confucian way under the purview of economic ethics, Confucianism would hold that the main task of controlling and guiding economic activities should focus on adjusting people's desire to pursue wealth to find the balance between profits and long-term sustainability. This situation may be regarded as a form of adaptive preference programme that focuses on conditioning the rich to make choices that align more closely to the goal of collective prosperity.<sup>10</sup>

To take stock, the government intervenes in the food and money economy to ensure material well-being of the people and also to correct the negative consequences caused by those who prefer money. Thus, the discussion on the goal of moral cultivation in economic ethics may not be about achieving social goods or moral excellence in general but more specifically on the moral cultivation of self-interested persons so that each is motivated to move towards governmental prescriptions. A study asserts that the reason for Kongzi to establish the school is to counteract the overwhelming impact of instrumental rationality against social harmony (D. Zhang & Jin, 1999). Instrumental rationality is interpreted as taking whatever means to achieve ones' set goals. This view aligns with the political-economic discourse in the *Shihuo zhi*, where instrumental rationality manifests

itself in self-interested individuals pursuing wealth as a fixed goal often leading to unintended consequences. Correcting instrumental rationality does not imply that the people, as moral agents, must abandon it entirely. Rather, it requires adjustment to align it with the broader collective good.

### Conclusion

This essay is part of a broader exploration. It is meant to be an open-ended discussion rather than to provide final answers. The core argument is simple but crucial, that Confucianism's focus on moral cultivation does not make it irrelevant to modern politics. In fact, by examining less studied historical texts like the *Shihuozihi*, we may uncover valuable Confucian perspectives that could help address contemporary challenges, particularly the persistent issue of economic inequality in democratic societies.

That Confucianism is incompatible with the modern world is an assertion that may be challenged. This criticism is a misinterpretation of an aspect of Confucian thought. The tradition is not just about cultivating perfect moral exemplars; it is equally concerned with guiding ordinary, self-interested people who may not be overly concerned with becoming morally perfected. The key question is: How are profit-driven individuals to be motivated to follow government policies designed for collective benefit? This question matters deeply for society today. While the modern state gives more power to citizens, it has also led to a weakening of political leadership. The ideas derived from the Confucianist tradition of emphasis on cultivating virtuous rulers might not appeal to some countries. But its insights into motivating public cooperation remain valuable, especially when discussing fair taxation systems that require the wealthy to willingly contribute their proportional share. Here, Confucianism has something pragmatic to offer to contemporary political debates.

Though the idea of modern system of government is not found in Confucian tradition, it does not mean that the tradition is not relevant to present-day governance. In fact, their ethical considerations on motivational issues are important and they remedy the absence of such ideas so that they would influence the tendency, will, and interests of the people to formulate prescriptions that are beneficial to social goods, and at the same time, able to motivate the people to follow the rules or policies introduced by the government.

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### Notes

- 1 All the in-text citations from the primary resources of Confucianism are indicated with the sequence of chapter and section numbers (See Hutton, 2014; Lau, 1979; Lau, 1984; Legge, 1981).
- 2 “Whether one is the son of the heaven or a common person, one should regard becoming morally cultivated as the root.” (*The Great Learning*, 2).
- 3 “I like fish, and I also like bear’s paws. If I cannot have the two together, I will let the fish go, and take the bear’s paws. So, I like life, and I also like propriety. If I cannot keep the two together, I will let life go, and choose propriety” (*Mengzi*, 6A.10).
- 4 “The true king enriches the people. The hegemon enriches the gentry. The state which barely survives enriches its grand ministers. The state which perishes enriches its coffers and fills up its treasuries. When the coffers are rich and the treasuries are full, but the common people are destitute, this is called ‘overflowing at the top but leaking at the bottom.’ At home one cannot protect oneself, and abroad one cannot wage war, and so being overthrown or being destroyed are affairs one can simply stand by and wait for.” (*Xunzi*, 9.6)
- 5 This understanding of modern economics is drawn from *On Ethics and Economics* by Amartya Sen (1988).
- 6 By moral economy, he means a new economic model that is not circumscribed by the old conflict between capitalism and socialism. He believes Confucianism can contribute to the new model.
- 7 The six tenets include: first, Confucianism presupposes the existence of an objectively good life; second, the Confucian conception of the good life includes moral and material well-being of the people; third, moral well-being requires an arduous process of moral self-cultivation that results in symbiotic moral growth between the individual and the community; fourth, in order for the common people to devote themselves to moral self-development, there must be adequate socioeconomic conditions that can secure material sufficiency for all; fifth, inequalities that arise after meeting the threshold of sufficiency must be regulated for the sake of social harmony and mutually supportive community; sixth, at the centre of social harmony and reciprocal relationships lies the conception of material goods as resources for need-satisfying interdependence and interpersonal moral growth (Kim, 2019).

- 8 Sima Qian's view on the *Annals*: It distinguishes what is suspicious and doubtful, clarifies right and wrong, and settles points which are uncertain. It calls good good, and bad bad, honours the worthy, and condemns the unworthy. It preserves states which are lost and restores the perishing family. It brings to light what was neglected and restores what was abandoned (See Watson, 1958).
- 9 The references from *Shihuozi* are based on the translations and annotations by Nancy Lee Swann, which is the most important reference of this study. It is indicated with the chapter, section, and page number from her translations (See Swann, 1950).
- 10 Adaptive preferences have been widely discussed in the domains of moral and political philosophy, mainly drawing from the discussions brought forward by Amartya Sen (1999) and Martha Nussbaum (2000) through the example of "deprived people" and the case of "Jayamma." It is worth noting that the adaptive preferences Confucianism targets are different from what has been regarded by Sen and Nussbaum. They focus on the adaptive preferences of the vulnerable group to explain how their preferences are adaptive based on their constrained circumstances, while Confucianism focuses on the adaptive preferences of the rich that are constrained to maximization of profits.

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