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ECONOMIC DEVELOPMENT AND TRADITIONAL CHINESE CULTURAL VALUES

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ABSTRACT

Economic Development and Traditional Cultural Values

Among the more than 100 less developed countries in the post-war world, the economic region surrounding mainland China, including Taiwan, South Korea, Hong-Kong and Singapore, have been most successful in their transition growth process (1950-1985) from their prewar agrarian background toward what was referred to by Professor Kuznets as the epoch of modern economic growth. Why is it that these countries have been so successful as compared to other regions?

The economists have identified two causal factors behind the miracle of the "Far Eastern Gang of Four" namely, i.e., the openness in orientation and the depoliticization of their economic system. As manifested in the evolution of their growth related policies in the course of the last 35 years, openness and liberalization encouraged "competition". This paper argued that the policy evolution has "roots" that reside deep in the traditional Chinese cultural values.

*/ This paper was completed in November 1985 and is to be followed by a second paper in which I intend to show that "fundamental" traditional Chinese cultural values can explain not only "economic prosperity" but also their relative "social-political" stability.
From a long run historical perspective, the economic development of contemporary less developed, or developing, countries after the Second World War has been a unique type of growth experience, i.e. a transition process from a colonial, agrarian heritage before the war toward what was referred to by Professor Simon Kuznets as the epoch of modern economic growth. For less developed countries, the post-war period is comparable to the transition period of England at the time of the "industrial revolution" toward the end of the 18th century, or that of Japan toward the end of the 19th century, when, for the first time in the life cycle of those economics, the exploration of the frontiers of science and technology suddenly became the primary growth-promotion forces. The post-war economic development of China, both in Taiwan and on the mainland, is but a typical example of transition growth of the less developed world containing three quarters of the total world population. It is not an accident that, at the present time, a primary concern in both parts of a divided China is the "modernization by means of science and technology", which is indeed the sine qua non of the modern growth epoch (现代化和世纪) .

*Comments by Professor Y.S. Yu (余英時教授) and Professor Alpha C. Chiang (蔣中一教授) are gratefully acknowledged.
I. The Far Eastern Economic Miracle and Traditional Chinese Culture

Since about ten years ago, it has become increasingly apparent that among the more than 100 less developed countries in the world, the geographic region surrounding mainland China, including Taiwan, South Korea, Hong-Kong and Singapore has been most successful in its transition growth performance, as measured by all types of reasonable statistical indices such as the rapidity of the growth of national income and/or the equality of income distribution. This fact has earned for these four countries, the honored title of NICA -- the Newly Industrialized Countries of Asia or, enviably, the Gang of Four of East Asia. The success of these Far Eastern countries is all the more amazing when, by all consensus, the region is unfavorably endowed with natural resources when compared with the oil-rich Arab world or the natural-resource-rich Latin American countries. With its natural resources close to zero, post-war prosperity in the city state of Hong Kong, for example, is often referred to as "the miracle on a rock."

The miracle of the Gang of Four during the last 35 years raises the following question: Why is it that these countries have been so successful as compared to other regions? The fact that they are deficient in natural resources suggests that this unfavorable economic-geographic background factor must have been more than compensated for by the comparative abundance of their human resources, their laborers, farmers, entrepreneurs and government officials. Furthermore, their locational adjacency to the Chinese mainland suggests, that the excellence of their human resources may be traceable to the fact that they shared the same cultural influence of traditional China. The cultural self-deprecation of China since the "May 4th movement" in Peking some 60 years ago must now be completely reevaluated. For the post-war evidence
suggest that, with peace, traditional Chinese cultural value cannot be taken in their entirety as a hindrance to economic modernization. The fact that the suppression of traditional cultural values by brute force, has led to economic stagnation for thirty years, between 1949 and 1978, in mainland China, can only support the central thesis which I want to discuss today, namely that some of the traditional Chinese cultural values may have been conducive to the economic life typical of the modern epoch, and that their suppression was costly in terms of foregone economic growth.

The economists have identified two causal factors behind this economic miracle, namely the openness in orientation and the depoliticization of their economic system, as political interference was gradually withdrawn from the operation of the market system. The prospect is that, given the trend of openness, or external orientation sustained, the rapid growth of the Far Eastern region, including Japan, will shift the center of gravity of world trade to the Pacific Basin from the traditional Atlantic Basin by the end of this century. While Hong Kong, and, to a lesser extent, Singapore, has always had a depoliticized market system, the maturity of nationalism has led Taiwan and South Korea to depoliticize their economic systems gradually over the course of the last 25 years, culminating in the liberalization movement that has recently been "sloganized". What underlies their "openness" and "depoliticization" is the dedication to a spirit of rivalry (or competition) in the international or domestic markets through which human energies and talents are encouraged to be devoted to economic creativity rather than wasted in the pursuit of "other values" which may even be "higher" from other points of view. While the miracles of the Gang of Four are explainable in these terms by the
I would like to argue, nevertheless, that their roots reside deep in traditional Chinese cultural values.

Is there a relationship between traditional cultural values and modern economic growth? In his masterpiece on modern economic growth, Professor Kuznets, a Nobel Laureate pointed out that

"The broad views associated with modern economic epoch can be suggested by three terms: secularism, egalitarianism and nationalism ... emphasizing somewhat different aspects of values."

While the arguments of Professor Kuznets were based on historical evidence from the West, I will argue that the "internally oriented" traditional Chinese cultural values have always satisfied the criteria of nationalism, secularism and egalitarianism that accounted for the post-war economic success of the Far Eastern countries.

Since the emphasis of economic modernization is on the relatively mundane aspect of human activities, in our examination of traditional cultural values due emphasis must also be placed on the cultural values that have trickled down to the lower levels of popular culture. In the case of traditional China, it is one of the characteristic features that high culture and popular culture were not as sharply differentiated from each other, as in the West. In this regard popular cultural values always centered on the biological instincts of sex and economics which were regarded as having natural primacy as well by those at higher levels.
I) **Cultural Nationalism as an Aspect of Chinese Culture**

In respect to the first criterion, nationalism, a careful distinction should be drawn between "political nationalism" and "cultural nationalism". The definition of "nationalism" by Professor Kuznets reads as follows:

"(Nationalism is) the claim of community of feeling grounded on a common historical past and its cultural heritage -- in its extreme form, an overriding claim of allegiance of the members to the larger community and sovereignty vis-a-vis all groups beyond that national unit."

This leaves no doubt that what is beneficial to modern growth is cultural nationalism (文化民族 ) rather than a narrowly focused political nationalism ( 政治主權民族 ) with a "xenophobic connotation" when carried to an "extreme form". The Chinese political value of a "universal world" (天下為公) suggests that "nationalism" in China has always been of the cultural type. The acceptance of an openness or external orientation that integrates the domestic economy with the rest of the world in the post-war period was, perhaps, not an accident since it happened in all the successful Far Eastern countries.

Traditional Chinese culture is certainly quite explicit in recognizing the historical continuity of its tradition. This is evident from the "links of ancestor worship" (懷念祖先，溯本追源) applied to the common people (庶民). It is also evident, at the higher level (聖) via the "missionary" dedication to the abstract historical - cultural "link" stressing the commonness of cultural purpose (道統) for intellectuals of all times. The historic continuity of The Tao (道) linking the past to the present (通貫古今) is logically traceable to the Chinese transcendental value integrating man with the cosmos (通天人). The Chinese heaven (天) has its own life comparable to human history (通古今，通之大原也). The emphasis of cultural nationalism is so
unique as an aspect of traditional Chinese values that no further elaboration is needed.

The urban-centered modern economic life is far more complex than that of a traditional society as the division of labor becomes highly specialized and as joint asset ownership becomes dominant. The rapid increase in the demand of public services — roads, harbors, communication, water, sewage, the settlement of commercial disputes for the enforcement of contractual agreements, etc. — requires a polity for the apportionment of tax burdens for their production.

Cultural nationalism is an essential precondition for all members to reach agreement on economic contracts and to compromise in order to form a social consensus on the sharing of tax burdens. The perpetual and rampaging price inflation that has blocked rapid economic growth in Latin America, in contrast, has been due primarily to their inability to reach a social consensus on the sharing of the tax burden. Price inflation in the Far Eastern countries has been much milder in the post-War period due to their capacity to reach social agreement because of their heritage of cultural nationalism.

III Secularism as an Aspect of Chinese Culture

The second cultural trait, secularism, is defined by Professor Kuznets as follows:

"By secularism, we mean a concentration of life on earth with a scale of priorities that assigns a high rank to economic attainment... as contrasted with a view of life on earth as a brief transition phase that deserves relatively little attention.... the increased power of man over resources provided by science that constituted the basis of the view of man as captain of his destiny in this world...."

"Secularism", as an aspect of cultural traits in the West, was achieved rather "late" as it was the product of secularization (世俗化), the most important evolutionary characteristic of Western culture. (是西方人民的世俗化的过程——世俗化)
slow disintegration of a personified God (人格化上帝) in the 19th century to complete the Western journey of secularization.

To the extent that secularism is a prerequisite for modern economic growth, traditional Chinese culture is vastly superior to that of the West as there was no need for such a "movement toward secularization." The Chinese culture has always been "secular" since at least the time of Confucius. To an "unreformed" Westerner, life was indeed a brief transition phase abruptly terminated by death and, thereafter, the individual enters heaven (or hell) prepared for him by God. This is not true for the Chinese. A person at the higher level of culture (上层文化) is spiritually bound up with heaven (神仙之源).

A "personified god" never existed in China as the "other world" and "this world" are always integrated. (通天人, 天人合一).

An important point that must not be missed is that the Chinese "heaven" (天) is anything but weak and stagnant. Since the heavenly principle (道) is vast, strong, righteous and dynamically lively so must human beings be. By its righteous "breathing" (气) that is continual (生生), heaven is perpetually creative (天地之大德曰生), with a vast power to transform itself into mountain and stars (在天地为河汉), or into indomitable human beings (人在天地). Strengthened by their moral fiber, human beings are perpetually creative (日新又新, 月新, 日新) with the active behavioral manifestation (天行健, 君子自强不息), an inexhaustible effort (尽人力以贛天命) and an optimistic attitude (今日是也).

The Chinese secularism is peculiarly dynamic, with a forward motion highly conducive to the rapid pace of city life in modern times, when rapid growth and innovation for something new are institutionalized and routinized. (现代化经
Chinese secularism is by no means a cultural trait of only the elite (商者). The culture of the lower level (下者) reflects the value of "stomach-first" (肚子是神仙的面前) and spiritual values later (肉体的面前) plus "leaning on heaven (not man) for his daily bread" with optimism (天降不降笑)...

If not for this secularism how else can one explain the fact that through more than 2000 years of documented evidence on population, the race that originated from the Yellow River Valley has multiplied to become the largest stock of human beings on earth, adaptive to all types of ecological adversities in all five continents? The common Chinese, from the time of the ancient idea of toil and rest (日出而做, 日入而息), always had priorities that "assigned a high rank to economic attainment", i.e. to survive and to be prosperous. The Chinese are indeed the most secular people according to the definition provided by Prof. Kuznets if we use the size of population as a rough index of "secular" survival rate, or, indeed, the rate of the survival of the fittest.

When Professor Kuznets visited Taipei in the sixties, he was amazed by the "running and racing" of the pedestrians and taxicabs and said to me "here is something that I don't understand". The "running and racing", that is indeed the secret of economic success everywhere, is a way of worldly life, ordained to have top priority by Confucius (人道迩,天道远) — in turn ordained by heaven. The "practice" orientation of Confucius was much admired by later generations, e.g. when Emperor Hsuan-Tsing of the Tang dynasty would humble himself before his altar and ask "Why, oh Why, has your Sage labored so hard in your lifetime?" (夫子何為者, 楚材一時中?). The answer, as provided in a self-evaluation by the Sage himself was "Tell everyone that he is a person who works, forgets meals, always with optimism, until his last breath on earth. And
that is all." (天人合能, 我自易安, 桑以高海, 不知老之将至). This is a personal philosophy apparently attributable to Heaven (知我者其天乎?).

Chinese secularism is thus not only dynamic but also action oriented in the sense of implying energy-consuming physical conduct (有行动倾向之世俗化). This is evident from the "learning by doing" educational philosophy of Confucius ( 孔子 ) which became the central theme of a philosophical debate during the years of cultural renaissance in the Sung-Ming Period ( 宋明). This action oriented high-level culture could not but find consonance at the lower level ( 与之对质, 一生之计在于勤 ) revealing a cultural trait that detests "slogans" ( 宁费) and "empty talk without action" (无多心形之幻). A dynamic secularism that encourages a dedication to energy-consuming human actions is the "secret" of the yellow race.

With a high value on economic pragmatism, the contemporary Chinese urban working class would much rather seek "salvation" via hard work in a stable political environment than through the invasion and occupation of university campuses ( 工人进驻, 佔据校园 ) or marching in the streets with, to them, irrelevant virtues such as "democracy" upheld. Such energy-consuming activities, in contrast, inevitably created the disturbance to political stability so frequently found in the labor movements of Latin America in the post-war years. In all the four Far-Eastern countries enthusiasm for the union movement, if any, has always been an upper-class hobby "for" the workers rather than "of" the workers themselves. The "workers are the master" philosophy ( 无产阶级人 ) on mainland China at the present time is merely an illustration of the same truth, in an exaggerated form, which all Chinese can appreciate much more readily than Westerners.
IV Rational Egalitarianism: An Analytical Approach.

Let us now examine analytically egalitarianism, the last cultural trait mentioned by Prof. Kuznets. A belief that "all men are born equal" is a necessary but not a sufficient condition for egalitarianism as an operational guide for distributional justice. Since, in all societies, the benefit of high income, social status and power to control must always be allocated, somehow, to all members of a community, rational egalitarianism must be carefully distinguished from an "irrational" one which implies quite the opposite principle of distributional justice. I will define rational egalitarianism as one that places high value on the principle of equal opportunity so that larger benefits are given, usually by necessity, to a small minority, via a selective screening process involving a "test" for meritorious performance. The contemporary competitive examination system or a political election system are typical examples. I want to make it perfectly clear, that such rational egalitarianism is my choice of an operational definition for analytical purposes.

When it comes to the "zero-sum games" of most secular affairs, the presumption of a "screening test" invariably implies a spirit of rivalry or competition. While everyone can try to be a sage in the non-secular domain, for everyone to be the "first" scholar of the land or "chief" executive is a mathematical impossibility. Rational egalitarianism carries the connotation of competition, ex ante and an inequality of benefits, ex post, for almost all secular affairs. With the definitional matter cleared away, we may ask, what characteristics of traditional cultural values are conducive to rational egalitarianism as defined?
The answer is that rational egalitarianism can only be the product of a culture, such as the Chinese culture, that believes all men are equal only in a potential sense (人人惟有平等，佛门) while fully recognizing that the inborn talents do differ from person to person (人人不相同，各如其类，生各有命之)，so that a perfect realization of that equal potential (满街皆是圣人) is not likely to be observed. Faith in human nature of this type may be referred to as an optimistic realism (乐观实在论) pointing to a high value attached to individualistic effort to achieve (成在己，由自不怨，父母打骂自当) to the tough moral fiber to be independent (道世独立，好汉做事好汉当)，to freedom that can be equated to self-determination (自乙) and, in secular affairs, to rivalry and the survival of the fittest. Modern conservatism, such as Reaganism or Friedmanism which has so much faith in free competition in the market (市場的競爭十分激烈) always justifies its position by the moral value of self-reliance and freedom.

Egalitarianism of the irrational variety basically denies the principle of "equal opportunity" as, on top of the belief that all men are born equal, all men must also share the "benefit" equally as a matter of "principle" that requires no "test" or "rivalry". Thus the Maoist conviction that human beings should not be "differentiated" (社會的差別，鄉村城市人權待遇同)，represents an extreme case of this type of egalitarianism, while modern U.S. liberalism which believes in helping the poor by large welfare expenditures to modify market forces represents a moderate version. The moral foundation of this belief is either placing a high value on human sympathy (in the U.S. liberal case) or on revolutionary hatred (in the Moists case). To some, an irrational egalitarianism as I have defined is no doubt quite noble and hence "rational". The difference between the two camps of egalitarianism can be
clearly recognized but is not debatable (知其在而在物) just as the "superiority" of Marxian-Maoism (馬列毛主義) and the Three People's Principles (三民主義) can not be calmly reasoned about. Whether or not traditional Chinese culture is rationally egalitarian, as I have defined, is, however, a debatable issue which can and should be analyzed.

While rational and irrational varieties of egalitarianism may have their own merits on other groups, our problem is less controversial. For all we want to know is which egalitarianism is conducive to Modern Economic Growth. Prof. Kuznets wrote that:

"Egalitarianism is a denial of any inborn differences among human beings unless and except as they manifest themselves in human activities ... which makes every man a full-fledged participant in the community of man.... (and) no allowance is made for innate distinctions hallowed by untestable myth... One could go on to argue that it is the increased power of man over resources provided by science that constituted the basis of the view of man as a captain of his own destiny.... egalitarianism contributed greatly to economic growth by inducing a much larger flow of talents and energy into economic rather than other pursuits.

The answer is clear: it is rational egalitarianism and definitely not the irrational variety. Notice that in the West, rational egalitarianism, as a cultural trait, was a by-product of the secularization movement, when the arrival of "science" in the 16th and "technology" in the late 18th century created the new "testing laboratory" for individualistic endeavors. In the case of traditional China, all this was unnecessary because rational egalitarianism has been highly valued since ancient times.

V) Rational Egalitarianism on an Aspect of Chinese Culture

The belief that human beings are the relatively important part of the heavenly universe (人為萬物之靈, 天地之性人為貴, 大地 "物" 中央) almost logically
implies the optimistically realistic view of human nature which in turn, implies rational egalitarianism. For it is heaven that has endowed human beings with different talents (天生之资) but an equal opportunity to discover one's own potential (尽知天资可得之之端暇,各有其才智敏而性情之端暇), which is just as vast as that of the heaven itself (天地所成立之善,亦有何善之?) Hence individualistic endeavors to achieve (成人各自为,自在自成人; 功力程度,皆自行.) became the heart of Chinese civilization. (一切皆依自己修养观念,更深植知识于心中,而且也流传于民间——余英时). Discrimination was an explicitly stated taboo while social obligations toward one another were represented by the "help others to help yourself" variety, similar to the healthy foreign aid philosophy at the present time. (敌虽万敌,善门善同; 天雨其利,不润之根之草,师其领入,修行在人.)

The Chinese always believed in a Chinese "personalism" (中国之个人主义) that implies a different attitude toward other members of society than that in the West at the present time. For the Chinese believe that one has an obligation to himself that is almost the opposite of a corrupted version of Western "individualism" (个人主义) under which, in the context of the post-war welfare state, "help" from other members is considered to be what the society owes one (社会该付他,他该). as a matter of "human right" (人权). While traditional Chinese culture has certainly recognized the value of a "full stomach" and "warm clothing" for all, (其内外之富,常在饮食衣履中), we can, by no stretch of the imagination, interpret this concern with "equity" (万善富而恶不均) to mean the "right" of individuals to demand full equality of income resembling an egalitarianism of the irrational variety. (中国人的权利意识一向被压抑在身份观念之下。) that, was, in turn, centered primarily in
sympathy for what would be regarded in modern times, as the unfortunate "unproductive" population (老年人之老,幼者幼人之幼,兄弟手足之缘,皆有所养.)

Those who are strong and healthy should be captains of their own destiny (壮者自强,治乱在人,老病当僧)。

Rational egalitarianism implies a tough moral fiber and the desire to be independent. In the West, under the veneer of God-defying toughness, a product of the individualism of the 19th century is always the God-fearing shame of original Sin. ( 原罪 ). In China, the toughness of the moral fiber, upheld by Chinese Personalism, knows no upper bound. To be humble (謙卑 ) in China is a manifestation of cultivated strength which is different from Western humility (謙卑 ) where it is a frank admission of human weakness. The Chinese have defied the "establishment" and "convention" by their conduct (母条内钦,礼遵若事) much earlier than the 20th century "hippies" and, when tormented, would not hesitate to defy the heavenly will ( 天意 ) towards which a dying patient has nothing but contempt (吾为这物小鬼兮). The same toughness of independence is evident in the value system of the lower classes for both males (英雄有凌万轻裤,丈夫何故受人摒,吃自己的饭,流自己的汗) and females (地代有佳人,幽居在空谷,文静寡言语,日篝吟诗,持身自守,绝地求生,攘臂与敌或偷郎). in thought and practice. Human beings of this caliber may not be altogether irrelevant to the avenue of growth through competition that has led to the post-War economic miracles of the Far East.

Rational egalitarianism implies competition in secular affairs. Under the influence of their cultural values, there is little doubt that the institutions of traditional China, especially the political and educational institutions, where highly competitive - in any case, much more so those of the the West. One would not hesitate to compete with the sages (圣人也,圣人也. ) or even with heaven ( 人定胜天. 我自横刀向天笑 ). The imperial
examination system, a trade-mark of Chinese culture, was but one example of rational egalitarianism. At the higher social level, the Chinese spoke lovingly of the achievers, especially the culturally refined achievers (风流人物) who excelled in their lifetime (名振明清数十年) and were tireless in serious rivalries (争雄, 争锋, 争光, 争辉), and, in less serious rivalries (同乐, 同享) to disciplined themselves for competition. At the lower level, to excel in competition, either seriously (争气, 争强, 出人头地), or less seriously (争荣, 荣耀), was by no means an unappreciated virtue.

When modern times arrive, the acceptance of a discipline by competition in the marketplace is natural to the Chinese, the "entrepreneurs of South East Asia", the "Oriental Jew" and, statistically, the most welcome customers of the casinos in Atlantic City. Entrepreneurs who are the captains of capitalism receive profit income as a reward for their willingness to take uninsurable risks. The Chinese are anything but risk averse!

In the inter-War period, Chinese Personalism was often referred to as "a plate of loose sand" (一盘散沙) that was not up to the task of "united we stand" (团结) against foreign aggression. Indeed, the freedom of the "loose sand" can summarize the entire social personality of the Chinese. However, in the economic arena, this "disunited looseness" may turn out to be a cultural strength. The market institution that accommodates individual competitive behavior is peculiarly suited to a people with a cultural background dedicated to individualistic achievement. The Chinese consequently feel uncomfortable under a system based on "collectivism" and regimentation through centralized command. The post-war Far Eastern economic miracles under a market oriented system offers a sharp contrast to the economic stagnation of the mainland under "collectivism".
a perversion of the traditional Chinese cultural values, a truth that the
Communists have learned, belatedly, to their credit.

VI) Chinese Social Groups and Rational Egalitarianism

The above interpretation of traditional values according to rational
egalitarianism must stand up to the leftist challenge that the Chinese people
were stratified by the "Five Proprieties" (父亲, 妻子), and, more
seriously, by the "struggle" between the landlord and landless classes. In
respect to the former, the pair-wise propriety of behavior between father and
son, (父) husband and wife, (夫) old and young, (老少) are
"natural" in that these are the most frequently encountered human contacts in
daily life for which "rules of conduct" must be prescribed to maintain
orderliness (序) instead "order" in the sense of command (命令).
Their function is comparable to the traffic light and the rules for driver
courtesy in modern cities that, by no stretch of the imagination, can be
interpreted as "ordering" where one has to go except by free will. Even the
king's power to rule (王权) was not an "inborn-right", as when the king did
not pass the test of propriety (臣民之义) rebellion was perfectly justified
(臣民之义), whatever respect a subordinate had for his king (臣民之义)
is comparable to that reserved for the police officer, a socially necessary
evil, who issues a ticket for a traffic violation in modern times
(主人者有所得与忘, 非其道也, 忠心之诫者, 一麦). Equality under a "natural heaven"
(天地之性人是贵) is far more important.

For the more serious issue of the class dichotomy between the "landed" and
"landless", Prof. Kuznets made the following observation about the West:

"In premodern days the large incomes of the Church were
felt to be justified because the Church dignitaries were
assumed to be free from the sins of avarice etc.; those in
the hands of the anointed nobility were justified on the
theory of the nobles superiority on religious grounds".
Was "land ownership" in traditional China justified on such "mysterious" grounds as the Communists would have us believe?

To provide an answer to this question, we must realize that in all agrarian societies, land is the basic economic asset. The feasibility of interfamily transfers of the title of land, that carries, with it income, social status, and power to control is the basic criterion that can be used to assess the rationality of egalitarianism. The issue, in other words, is the tolerance for the descendants of the landless families (個地之子孫) to acquire titles to land and hence to their upward climb along an institutionalized social ladder ensuring inter-class mobility. Economists have, in recent years, gradually come to the view that an equitable principle is comparable to the "rotation of dealership" (輪流做莊) in the game of Majong (打麻将) where the benefit of dealership (莊家的權利) is rotated and where "consecutive dealership" (連莊) is regarded as fair because of the demonstrated skill and/or the luck (手氣) of the dealer. It is the only principle of distributional justice consistent with the principle of "equal opportunity" under rational egalitarianism. Equalization of opportunity is intrinsically a "probabilility event." The Chinese attach high value to a heavenly-willed luck (天命) as a part of distributional justice. A settled colony of Chinese is always a paradise for fortune tellers with Ph.D. customers in New York Chinatown that are devoted Christians!

I do not have to dwell on the operational dynamics of the very unique "inter-generational" land transfer institution that prevailed for some 800 years before modern times, on the foundations of land inheritance (土地傳承) transactions and tenure (土地繼承制度), all integrated with the imperial examination system. The fact that the upper class in traditional China was the land owning literate gentry class (士大夫階級)
testifies to its uniqueness in the world. There were no serious restrictions on land transactions, access to education, qualifications to take part in the imperial exam or interclass marriage that blocked inter-class mobility on "mysterious", religious, geneological, or anthropological grounds (e.g. a caste system in India, or a kinship system in Japan).

It was only natural that family fortune "rotates" according to the Majong principle as the "heavenly principle" too ceaselessly rotates with a natural rhythm that cannot be blocked. Folklore (folk tales, Shintoism, Shintoism) dwelled on the theme of class mobility so that, for the landless lower class, a cultural value or an aspiration for land acquisition was probably just as pronounced as the belief in the ceaseless rotation of personal fortune through reincarnation.

It is not too far-fetched to argue that the traits of nationalism, secularism and rational egalitarianism and hence the post war miracle of the Far East, can all be deduced, indirectly from the transcendental value of the omnipotence and omnipresence of the Chinese idea of heaven. This surprisingly simple conclusion is supportable by the force of logic as well as empirical evidence.

What is to be emphasized is that Chinese rational egalitarianism, manifested in inter-class family mobility and land transaction, encouraged precisely those "testable" human activities such as hard work, frugality and, above all, devotion to education that are so essential for modern economic growth. The central thesis of Prof. Theodore Schultz (another Nobel Laureate) is that human resources, especially education, are the key ingredient for the
contemporary less developed countries to be modernized in this age of science and technology. The Chinese are indeed very well "tuned up" for this effort by their traditional culture that places so much emphasis on education through competitive examination.

Contemporary Chinese are not only "well prepared" by their traditional culture for "competition" but are "finely-tuned" to immunize themselves from anxiety (繚繚) and alienation (徬徨, 懸) that are the well recognized diseases resulting from the competitive pressures of modern city life. For they know, by intuition, that to be successful in the long run they must compete fairly (公平) in the economic arena (公平, 公正). They are also psychologically prepared by a certain calmness (靜, 定, 靜, 止) to accept consequences with relative detachment (知足, 安然, 守仁) to live a busy life with diversions (閒情, 適可而止) and to look forward to the days of soul-fulfilling retirement (歸山, 禮佛, 休養). Social alienation is less of a problem when so much emphasis is placed on the harmony of "natural" human relations in daily contact (人情, 情味), the modern counter-part of the ancient code of "proprieties" (禮). Indeed, the mysterious "oriental attitude" that takes the place of tranquilizers and sleeping pills, has always been thought to be the right medicine, and the "last hope" for the maladies of the competitive culture of the West. In the years ahead, the Far Eastern regions may well turn out to be a paradise for all except the Western psychiatrists.

Contemporary Significance of Traditional Chinese Culture

In my enthusiasm to put forward a thesis that the attachment of high values to cultural nationalism, action oriented secularism and rational egalitarianism in traditional China has paved the road for the post-war economic miracles, I
might have been carried away and glorified that culture by over valuation. But this is only fair! Since, for almost 60 years now, that culture has been persistently undervalued, by no others than the Chinese themselves. During the movement of enlightenment in the inter-War period after May 4, 1919, the demand was for "total Westernization" and, much worse, during the Post-War socialistic transformation (the demand was for its total annihilation, by hatred and brute force. (中国人他自己是"中国人")

We must realize that, under the conditions of social unrest, political upheaval and wars, economic modernization is impossible regardless of "traditional cultural strength". The experience of the inter-War period cannot be taken seriously as evidence to pass judgement on the relevance of traditional Chinese cultural values to modern economic life. The social scientists and the sinologists in this room are, indeed, very fortunate as they have the unique opportunity to study the significance of traditional Chinese culture for the modern life of mankind. The two parallel experiments that have taken place on the mainland and the region bordering it over the last 35 years, have already produced a whole set of new inductive evidence as Chinese society marched into the modern epoch with an unprecedented speed rarely matched in the entire period of previous Chinese history. The economic miracle in the Far East suggests that the chapter of cultural self-condemnation should be closed and rewritten in the light of the new evidence. My interest, however, has been a narrowly focused economic one. Similar attempts should be made in other areas of academic discipline.

That Chinese cultural values still live with vitality at the present time is clearly seen from the revival of the market on the mainland since 1978. Turning
attention away from the manufacture of the "new socialistically ethical man" via a "Cultural Revolution" and towards the more down-to-earth matters of four modernizations (四个现代化) represents a secular reorientation.

Reviving competition, profit incentives and the inequality of income distribution obviously entails an orientation towards rational egalitarianism. Rehabilitating the "father land" (祖国建设) Confucius (孔子) and competitive exams represent a reorientation toward cultural nationalism. All the evidence points in the direction of the need for a cultural renaissance that the Communists can neglect only at the peril of their own avowed aim of the four modernizations (四个现代化).

Apparently the Communists have yet to learn that to insist on Marxism-Leninism-Maoism is to deny the essence of Chinese cultural values. For centralized authoritarian command is an antithesis of self-help and inner strength (自覺之內涵力量). Moral values, to the Chinese, can only be introspectively cultivated (体验) through interactions with the experiences of daily conduct (日常行为). There is always the danger of the absence of "heart-felt sincerity (心之誠意) when moral values are thought to be hastily manufactured (快速製造道德), especially along the lines of an alien ideology, with brutal force. The result, as history shows was clearly disastrous when exaggerations and over-dos were acceptable virtues!

If the Communists believe that the Chinese intellectuals, the modern descendants of a long moral and philosophical tradition (传统) can be quieted forever, they have greatly underestimated the strength of the cultural forces that lie behind their tough moral fiber. Intellectuals can forgive (宽恕) though not forget the injuries inflicted upon them
by those who acted without the strength of freedom.

At the present time, the true value of the Chinese intellectuals is to provide substance to a socialistic society that is truly "Chinese" in the cultural sense (凝聚成立之中国文化) not just a geographic concept. The sooner the communists end their aimless drift in a cultural vacuum the sooner will a favorable climate be created for the unification of China which has been, and always will be, a political entity unified by one continually living culture.
POSTSCRIPT
Ying-shih Yu

It is gratifying to know that my friend John Fei, an economist, has found my preliminary articulation of the value system of Chinese culture helpful to his discussion of China's future economic development. Humanists and social scientists alike have, in recent decades, become increasingly aware of the importance of a holistic understanding of a culture system to the analysis of any of its integral parts. The revival of interest in hermeneutics and in the Weberian approach to religious ethic among philosophers, historians, anthropologists, sociologists as well as economists is an indication of a possible intellectual breakthrough. Should that breakthrough eventually take place, we could surely expect a kind of creative synthesis of the positivistic and the hermeneutic methods in our inquiry into the human as opposed to the natural world. Only then can we possibly take a step beyond objectivism and relativism in whose positions both the social and the humanistic sciences have long been locked.

In his paper on modern economic growth and the Chinese culture, John Fei has made intelligent use of the theoretical framework of Simon Kuznets. But I believe that John's work can be further enriched and refined by also taking into consideration Weber's thesis concerning the Protestant ethic and its analogy in East Asia.
The little essay I wrote on the value system of Chinese culture and its modern significance is no more than a working hypothesis. I have ventured to suggest, in that essay some tentative broad generalizations made at a high level of abstraction which were meant to be suggestive rather than conclusive. All of my observations are and must be subject to empirical tests to be carefully carried out in the various relevant disciplines. But it will also require an interdisciplinary approach as well as a comparative historical perspective to guide the specialized empirical tests. For otherwise the hermeneutic circle would be broken with the whole and its parts hopelessly dismembered. Recently John Fei and I have had many opportunities to exchange views on this vast but extremely fascinating subject. Both of us are agreed that we should get more people from other fields seriously interested in a common effort to re-examine China's contemporary problems in all their complexities in light of its cultural values.