An inquiry concerning the direct causal significance of religious values for the advent and development of capitalism makes no sense in itself. As an economic system capitalism is better understood in terms of market opportunities, technological developments, labour supplies, entrepreneurial capacities, ownership structures, and so on. It was Max Weber, writing in the first decade of the twentieth century, who saw the historical advent of modern capitalism in terms of a shift in religious initiative from Catholic Southern Europe to the Protestant principalities of Northern Europe, with a parallel move of commercial concentration from the Mediterranean to the Atlantic. Whereas the vast majority of economic historians saw capitalism emerge incrementally from the traditional economies that preceded them, Weber took the rupture of the Christian Reformation against Catholicism as the harbinger of a new personality type, realized in the spirit of the capitalist entrepreneur. This latter contrasts with the historically earlier economic actors who focused either on servicing only their existing needs or who sought luxurious riches, neither of which involved profit for its own sake that enriched the organization of enterprise itself.

Before embarking on a discussion of Confucian values and East Asian capitalism it is necessary to first be clear about Weber's argument. *The Protestant Ethic and the Spirit of Capitalism* is concerned with 'the influence of certain religious ideas', as Weber (1991: 27) says, 'on the development of an economic spirit, or the *ethos* of an economic system'. He is concerned, then, not with capitalism as a socio-economic system but one possible source of the historically novel ethic of earning money 'purely as an end in itself' conjoined with 'the strict avoidance of all spontaneous enjoyment of life' (Weber 1991: 53). Indeed, this ethic may be 'present before the capitalistic order' (Weber 1991: 55). While Weber sees the advent of this ethic as an unintended consequence of the Protestant Reformation (Weber 1991: 90), he at the same time insists that he has 'no intention whatever of maintaining such a foolish and doctrinaire thesis as that the spirit of capitalism … could only have arisen as the result of certain effects of the Reformation, or even that capitalism as a system is a creation of the Reformation' (Weber 1991: 91).

Weber's argument, then, is that a motivating entrepreneurial force of modern capitalism arose in Western Europe as a consequence of certain beliefs of Reformation Christianity. This accidental religious link, according to Weber, has no continuing role in the development and operation of capitalist economies. He says that in a society dominated by ongoing capitalist activities any

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**Confucian values and East Asian capitalism**

A variable Weberian trajectory

*Jack Barbalet*
'relationship between religious beliefs and conduct is generally absent, and where it exists ... it tends to be of the negative sort' (Weber 1991: 70). Weber goes on to add that the ‘devotion to the calling of money making’ that underpins the spirit of capitalism ‘no longer needs the support of any religious forces’ and that any ‘attempts of religion to influence economic life’ are experienced as ‘unjustified interference’ (Weber 1991: 72). Weber’s understanding is that ‘the capitalism of to-day, which has come to dominate economic life, educates and selects the economic subjects which it needs’ and in doing so it draws ‘on a way of life common to whole groups of men [and women]’ (Weber 1991: 55). This is an entirely appropriate sociological approach insofar as it directs investigation to the ways in which the requirements of economic activities and organizations draw upon and possibly lead to modification in the values and institutions of societies in which market-led engagements become increasingly important. We shall see that this aspect of Weber’s argument is confirmed in the East Asian state-sponsored Confucian revivals that are consequent on the capitalist development of their economies.

There are two additional caveats concerning Weber’s approach that warrant mention in the present context. First, Weber’s characterization of religion, no matter how usefully it served his purposes, is unnecessarily narrow. For Weber religion operates almost wholly in terms of beliefs, which he holds have a ‘permanent intrinsic character’ (Weber 1991: 40). The organizational dimension of religion is simply brushed out of his ideal-type characterization of Calvinism (Weber 1991: 97, 108), even though it is arguably not their religious values but the social networks generated in devotional congregations and the geographically expansive organization of Christian fellowship that is responsible for the commercial and business success of members of Protestant communities. Weber also emphasizes religious belief at the expense of religious emotions (Weber 1991: 115) even though it is the latter that encourage and bond religious organization.

The narrowness of Weber’s understanding of modern capitalism also deserves mention. His ideal-type characterization of modern capitalism fails to represent the reality of capitalism’s operation not only in present-day East Asian but in late-modern Western economies. In _General Economic History_ Weber indicates six conditions necessary for modern capitalism (Weber 1981: 276–278). The first two, ‘rational capital accounting as the norm for all large industrial undertakings which are concerned with provision for everyday wants’ and, ‘freedom of the market, that is, the absence of irrational limitations on trading in the market’, may seem uncontestable and yet the experience of the last decade has shown how a ‘method of rational accounting’ that avoids the distortions effectively serving the partial and even criminal interests of major corporations in the US and also Europe has been difficult to achieve. Indeed, rational accounting may not be an independent factor but an artifact of governmental regulation. In any event, the relative absence of ‘rational capital accounting’ that arguably generated the global financial crisis peaking in 2008 is not an absence of capitalism. The experience of the global financial crisis has led many analysts to restate, in effect, the need to also qualify Weber’s second characteristic of modern capitalism, namely unqualified ‘freedom of the market’. All markets are necessarily subject to regulation and there cannot be an ‘absence of irrational limitations on trading in the market’.

If markets are social institutions, it follows that they are necessarily norm governed and the social practices that constitute property rights, transaction forms and individual autonomy operate as not simply legal but moral constraints (Schultz 2001). Not only are markets in newborn babies curtailed everywhere, but, as Schumpeter (1966: 417–418) put it: ‘no social system can work which is based exclusively upon a network of free contracts between (legally) equal contracting parties and in which everyone is supposed to be guided by nothing except his own (short-run) utilitarian ends’.
Confucian values and East Asian capitalism

These considerations apart, Weber’s understanding of capitalism is largely based on the historical experience of West European and American capitalism (Weber 1991: 52), especially as it emerged in the late nineteenth and early twentieth century: individualistic, competitive and globally dominant. We shall return to Weber’s ideal-type characterization of capitalism below, in the context of China’s capitalist development.

In addition to Weber’s argument concerning the religious source of the capitalist ethos in Europe, which has informed much discussion of both religion and capitalism, any account of East Asian capitalism and especially the supposition of its cultural backdrop in Confucian thought and practices, must acknowledge the presence in the critical firmament of Weber’s (1964) _The Religion of China: Confucianism and Taoism_. This work was the first of Weber’s comparative historical sociologies in which he considered China’s civilizational development in terms of its political and economic institutions and its systems of values. Weber’s purpose in this work is primarily to demonstrate that the conditions for the development of modern industrial capitalism simply did not arise in China, as they had in Protestant Europe. He finds sufficient grounds for the absence of the development of capitalism in Chinese economic, political, administrative and social institutions:

from a purely economic point of view … bourgeois industrial capitalism might have developed [in China] from the petty capitalist beginnings … [but a] number of reasons – mostly related to the structure of the state – can be seen for the fact that capitalism failed to develop.

(Weber 1964: 100)

Weber goes on to argue that the necessary condition for modern capitalism, in appropriate religious traditions, were historically absent in China. Weber recognizes a rational element in Confucianism, but ‘Confucian rationalism meant rational adjustment to the world’ (Weber 1964: 248). What is necessary for the development of capitalism, in Weber’s estimation, however, is ‘Puritan rationalism [which] meant rational mastery of the world’ (Weber 1964: 248).

**Confucianism and capitalism**

Weber’s _Protestant Ethic_ argument has received much acclaim among sociologists. His account of the negative relationship between Confucianism and capitalism, however, has met with extensive criticism, especially since the 1980s. This criticism is largely a result of the rapid growth and industrialization of the export-oriented economies of Hong Kong, South Korea, Singapore and Taiwan, referred to as the four little dragons of Confucian East Asia. The economic rise of the big dragon, the People’s Republic of China, has only served to add to the counter-Weber arguments concerning the positive contribution of Confucianism to East Asian capitalism. Before discussing capitalism and Confucianism in East Asia it is necessary to consider the criticisms of Weber’s argument concerning Confucianism.

The question of Confucianism is difficult on a number of levels. It may seem obvious to say that Confucianism is a body of thought that comes out of the work of Confucius (551–479 BC), a teacher, thinker and itinerant advisor to various rulers of rival states during the so-called Spring and Autumn period of Chinese history. The principal work associated with Confucius is the _Analects_, a compilation of his sayings, traditionally held to have been originally written during the Warring States period although it probably acquired its present form during the Han dynasty (202 BC–AD 220). During this time the politically dominant elite selected a number of texts they designated as ‘classics’ (_jing_) that became the curriculum for the Imperial Academy
from which the state bureaucracy was recruited. Originally there were five classic texts, which did not include the Analects but traditionally were held to have benefited from Confucius’ editorial influence. From 124 bc the Five Classics (wujing) were incrementally augmented until by the early Song dynasty, from 960, there were thirteen classics, which now included the Analects and also a work known as the Mencius. This latter text is an account of meetings and conversations between Confucius’ follower, Mencius, and various feudal rulers and ministers, as well as conversations between Mencius and his own followers or students. The importance of the Mencius is in its interpretation of Confucius’ leading ideas and its elaboration of a number of ethical and political principles drawn from Confucius. By the late-Song, the canon of classics was revised again to comprise only Four Books (Si Shu), the Analects (Lunyu), the Mencius (Mengzi) and two brief chapters from one of the original Five Books, the Book of Rights (Liji), namely the Great Learning (Daxue) and the Doctrine of the Mean (Zhongyong). For the period from approximately 1200 to 1912, when the imperial examination was discontinued, these Four Books constituted official Confucian teaching.

The names ‘Confucius’ and ‘Mencius’ are Latin transliterations of Kongzi and Mengzi respectively, given by members of the sixteenth century Jesuit mission to Beijing, who were also responsible for coining the term ‘Confucianism’ (Jensen 1997). The missionary interest in China has been not only in converting the Chinese to Christianity but also in interpreting Chinese traditions in such a manner as to make the Chinese amenable to conversion, finding ‘equivalent’ Chinese terms for Christian notions and personalities or roles (Wong 2005). According to Jensen (1997: 33):

For sixteenth-century Chinese, the native entity, Kongzi … was the object of an imperial cult, the ancient ancestor of a celebrated rhetorical tradition, and a symbol of an honored scholarly fraternity (the nü, or ‘Confucians’) represented by a phalanx of officials who staffed every level of the imperial bureaucracy. But before the eyes of clerics newly arrived from the West he appeared as prophet, holy man and saint.

The sacralization of Confucius and Confucianism undertaken by missionaries from the sixteenth to the nineteenth centuries is not entirely accepted by Weber who insists that Confucianism is not a religion (Weber 1964: 146, 156, 226). While the historical Confucius no doubt engaged in ritual practices addressed to spirits (Creel 1932), his principal concerns and the focus of the Four Books are social and political. The values internal to the Confucian ‘system’ identified by Weber, especially filial piety (xiao) and loyalty (zhong) to political hierarchy, are characterized by him as traditional and therefore fail to support the rationalizing impetus necessary for modern industrial capitalism. Weber (1964: 248) claims that the rational adjustment to the world found in Confucianism leaves the world unchanged, whereas the capitalist spirit, according to the Protestant Ethic, is world changing for it can ‘overcome the innumerable obstacles, above all the infinitely more intensive work which is demanded of the modern entrepreneur’ (Weber 1991: 69). The source of the capitalist spirit in European history is a Protestant ethic characterized by an inherent tension in first, not knowing whether one is in God’s grace, and second through purposeful worldly activity, by developing a calling or vocation, to overcome the ensuing anxiety.
Weber's insistence on this value-tension in the generation of a capitalist spirit is problematic on a number of levels. First, the argument itself is unique to Weber; it does not correspond with reported experiences of early Calvinists nor with the studies Weber drew upon in constructing his argument (Barbalet 2008: 54–56). Second, alternative accounts of the development of an originating capitalistic entrepreneurial spirit do not rely on a value-tension of the type Weber describes but on opportunities for profit-making through investment of time, effort and capital and associated practices of deferred gratification and community affirmation of profit-making as an esteemed activity (Barbalet 2008: 118–124). In this context, a cognitive and affective sensitivity to changing circumstances and how to cope with them, an inclination to find new opportunities for money-making where others see only constraints and declining present fortunes, can be construed as the basis of the entrepreneurial ethos underlying the spirit of capitalism (Harper 2007; Schumpeter 2008). It is of particular interest that Weber reports such inclinations in China (1964: 183, 188, 205) among traders, merchants and the propertied classes (1964: 186, 204, 224). But the drive for gain he notes in these and similar sources is dismissed as efficacious because by hypothesis they have a pedigree irrelevant for entrepreneurship in being ‘contemplative’ rather than ‘asceticist’ (1964: 188, 243; 1975: 337). In these complaints Weber confuses the underlying drive for profit with the structure of the economy within which it operates. He had already explained the absence in imperial China of modern industrial capitalism in institutional terms. To dismiss Chinese imperatives to profit-making as devoid of the ethos of capitalism because they were not based on the internal tensions he believed he had located in early modern European Protestantism is unnecessary and illogical. It is particularly ironical therefore that Weber's late-modern Confucian critics deny his factually correct claim concerning the institutional form of the imperial Chinese economy while accepting his flawed suppositions concerning the basis of the spirit of capitalism in ethical tension.

The argument that Confucian rationalism may not be so far removed from the Protestant form was advanced by Yang (1964: xxxvii) when he wrote that in Confucianism ‘the given world was at ethical variance with the tao [the governing principle of cosmic and social order]’ and therefore there is in it ‘no acceptance of the world “as given” … [Thus] Confucian rationalism and asceticism stemmed from this tension or variance between tao and worldly realities’. Yang (1964: xxxviii) goes on to acknowledge, however, that this argument ‘may be only academic’ as the historical reality was ‘China’s failure to develop capitalism’. Later commentators however demand a more thorough, and for them, consistent critique of Weber. Perhaps the best known is Metzger’s (1977) exposition of the extensive sources within neo-Confucianism of moral tensions, often religious-like in their quality, ignored in Weber’s discussion. While Metzger is credited with extending appreciation of the complexity of the Confucian legacy, and in particular with articulating its attention to and structure of moral tension, it is doubted by some commentators whether the tensions involved are socially transformative and therefore generative of modernizing imperatives in the manner a Weberian perspective requires (Chang 1980).

This issue is taken up by an account that has been influential in Chinese discussions of Weber and of the development of capitalism in China. Rather than emphasize tensions within neo-Confucianism, the Princeton-based scholar Yu Ying-shih (1987) has highlighted the rationalizing ethical content of neo-Confucianism and its operations, as a functional equivalent of European Protestantism, within the Chinese merchant class from the sixteenth century. The title of Yu’s (1987) exposition indicates the inversion of Weber’s contention concerning the failure of Chinese values to provide a foundation for capitalism; it translates as ‘The Modern Chinese Religious Ethic and the Spirit of Merchants’. Yu constructs an historical genealogy of
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Confucian merchant virtue through a number of steps. He argues that the teachings of neo-
Confucian philosophy, in which personal morality is the basis of social order and prosperity,
encouraged the values of thrift, honesty and effort that are consonant with a positive social
evaluation of commercial engagement. Yu also argues that by the sixteenth century, population
increases had led to an intensification of competition in the imperial examination system and
that large numbers of failed candidates subsequently entered commercial occupations. In this
way, he maintains, the merchant class was recruited from individuals thoroughly imbued with
Confucian values through rigorous training, and those values – already widely socially diffused –
promoted a rationalizing ethic conducive to commercial success.

Yu’s arguments fail, however, on a number of important points. First, his characterization
of neo-Confucianism is exceedingly narrow, focused almost exclusively on the ideas of Wang
Yangming (1472–1528) and it therefore ignores other strands in the rich matrix of neo-Confucian
thought. Relatedly, Yu fails to acknowledge the strictures imposed on profit-making in
the Confucian conception of economic morality. Brook (1997: 35–38) shows that although
some latitude was given to profit-making from the sixteenth century, in Confucian thought
it was necessarily confined to accepting profit as reward for risk and also dutifulness, but was
necessarily curtailed by the higher values of ‘concern for the needs of others and reciproc-
ity in the treatment of others’ interests’ (Brook 1997: 37). But even more important was the
neo-Confucian notion of the state as ultimately responsible for the appropriate distribution of
economic goods. This meant that profit-making that led to a redistribution of wealth, necessary
for capitalism, must be denied to Confucian merchants (Brook 1997: 33). Yu’s argument con-
cerning the high social standing of merchants also requires qualification. The extent to which
merchant professions were socially valued reflected the capacity of merchant profit to purchase
land and also to finance training of family members for the imperial examination (Elvin 1973:
292–293). This source of esteem detracts from the social standing of merchants principally as
profit takers advanced by Yu. Indeed, the Confucian morality of Chinese merchants from the
sixteenth century that Yu supposes ignores practices that exceed neo-Confucian niceties and
did not lead to high social status. Merchants and traders, seeking antidotes to uncertainty and
risk, relied on fortune-tellers and local deities beyond the Confucian pantheon and individual
merchants ‘might have also been unreliable, slothful, timid, selfish and ostentatious’ (Zurndorfer
2004: 11). Petty merchants in particular were attracted to the appeals of ‘gambling, whoring and
opium smoking’ (Lufrano 1997: 64). But more telling than anything else against Yu’s argument,
the Confucian merchant culture and practices he describes did not generate industrial capitalism
in imperial China.

Since the 1980s, not the origin or absence of capitalism in East Asia but its late-twentieth
century take-up, especially in Singapore, Hong Kong, Taiwan and South Korea as well as Japan,
has attracted scholarly attention. In this the role of Confucianism as a set of sociocultural attrib-
utes has been raised in attempting to understand the success of these late-developers. A number
of writers of diverse background – including Anglo-American, Chinese-American and East
Asian – have delineated the argument (see Dirlik 2011). In the space available here we shall focus
on Berger’s (1988) archetypical sociological discussion. The writers discussed earlier attempted
to show how Confucian contributions to capitalism more or less followed the path set out by
Weber, but by arguing that neo-Confucian ascetic ethics are a functionally equivalent of the
Protestant ethic, and without necessarily challenging the conception of capitalism employed by
Weber. Berger and associated writers point instead to a divergent form of capitalism, distinct
from its individualistic Western form. Berger (1988: 4) asserts that the four little dragons are ‘suf-
ficiently distinct, as compared with the West, that one is entitled to speak of them as a “second
case” of capitalist modernity’.
The distinctive features of the specifically East Asian form of capitalism identified by Berger and associated writers are not only confined to the four little dragons they explicitly refer to but, since the late 1980s, are frequently attributed also to the economy of mainland China. These are first, a high level of economic growth sustained over an extended period of time, which is achieved, second, with diminished social inequality, or at least ‘an astounding improvement in the material standards of living of virtually the entire population’ (Berger 1988: 5). A third feature of East Asian capitalist modernity is ‘a highly active government role in shaping the development process’ (Berger 1988: 5) and, finally, an economy led by the export sector. The following section of this chapter discusses how the East Asian economies might be characterized, but it is necessary to consider here briefly how meaningful is this description of the features of a distinctive ‘second case’ of capitalist modernity.

None of the elements referred to by Berger are in themselves suggestive of a regionally distinct or a non-individualistic form of capitalism. Beginning with the last two, a state-led export-oriented economy is characteristic of the growth model of early-stage capitalist economies in general. A second general feature of periods of early industrialization includes state provision of subsidies, credits, guaranteed prices and profits, and more direct forms of state investment that encourage private business investment. This was a feature of not only early Japanese development (Lockwood 1954: 246–248, 503–509, 571–592) but American. During the period 1813–1837 the US federal government provided infrastructure to the economy and subsidized private enterprise (Bruchey 1965: 122–123). From the period up to the mid-nineteenth century American state governments created thousands of business corporations and in other ways invested in the economy in order to stimulate private investment (Bruchey 1965: 128–129). Under conditions of capital shortage and market uncertainty government spending encourages private capital formation. Berger’s statement concerning economic inequality is at best optimistic while its empirical basis derives from the fact that aggregate income growth follows movement from an agrarian to an industrial economy. The high and sustained East Asian growth rates Berger refers to are now unequally distributed in the region, with the Japanese economy presently close to static.

As well as a distinctive form of East Asian capitalism Berger (1988: 5) identifies ‘distinctive social and cultural features’ to which it is ‘linked’. These include a ‘strong achievement-oriented work ethic’, a highly developed sense of collective solidarity ‘both within the family and in artificial groupings beyond the family’, and finally ‘the enormous prestige of education’ with which is associated both family commitment to provision of education for offspring and meritocratic norms and institutions which ‘select out elites’. These are distinctive East Asian sociocultural features, according to Berger (1988: 6), because they reflect values of collective solidarity and discipline as opposed to the individualistic values associated with Western capitalism and Weber’s theoretical approach to it. Berger is skeptical that these values can be simply seen as Confucian because other traditions, including Buddhism, may be involved; he therefore prefers to refer to ‘post-Confucian ethics’. Nevertheless, ‘Confucian-derived values’ are essential to the sociocultural basis of East Asian capitalism, according to Berger (1988: 7–8), which include ‘a positive attitude to affairs of this world, a sustained lifestyle of discipline and self-cultivation, respect for authority, frugality, [and] an overriding concern for stable family life’.

The sociocultural gloss on Confucian-derived values indicated by Berger ignores the institutional context in which these values operate and from which they are likely to derive. The three factors of discipline, education and family solidarity can be simply related to each other in terms of the authoritarian state structures that have historically dominated East Asian societies. In summary: the labour forces in each of these societies have been subject to political regimes that exert military and police control over workers and that provide direct support to employers.
No doubt there is widespread self-discipline in those societies in which external discipline is not only pervasive but harsh and forceful. Authoritarian states are typically militarized and in the case of South Korea and Taiwan, since the 1950s, the military ‘gave disciplined training and basic literacy to a mass of young people, while rearing officers and managers who later populated state bureaucracies and big corporations’ (Cumins 1984: 26). State investment in education in East Asian economies is low and the financial burden of educating children falls on families. Family investment in education and therefore employability reflects on the absence of public expenditure on aged-care, leading parents to invest in their own future needs by acquiring education and therefore employment opportunities for their children. Low state expenditure on social services is the institutional basis of continuing family solidarity in East Asia. These and related issues are amplified in the following section in which the economies of East Asian nation-states are more fully described.

**Capitalism produces Confucianism**

The economies of Hong Kong, South Korea, Taiwan and Singapore are clearly capitalist, broadly understood. The economy of the People’s Republic of China is not so easily classified. What these economies have in common is that they each can be shown to not so much rely on as ‘lead to’ Confucianism. It is not possible here to deal with all cases but discussion of Singapore, South Korea and China shall indicate the course from capitalist development to state-sponsored Confucianism.

Before 1959, when Singapore achieved self-government from Britain, its economy was based on entrepôt trade dominated by ethnic Chinese merchants, compradors and financiers. This situation fundamentally changed with the election in 1959 of a People’s Action Party (PAP) government led by Lee Kuan Yew, which embarked on economic restructuring based on state-enterprise generated industrialization (Ramírez and Tan 2003: 4–6; Shome 2009). The newly created government-linked corporations (GLCs) operated across the economy and dominated shipbuilding, defence industries, banking and oil refining. As well as functioning as state-capitalist profit-generating enterprises in their own right the GLCs also served to attract foreign direct investment in the form of joint-partnerships with multinational corporations. In this development strategy the existing ethnic Chinese entrepreneurs, castigated as mere shopkeepers, petty traders and merchants by Lee and the PAP, were sidelined and excluded from the national economic development strategy. Indeed, the ethnic Chinese business community was explicitly denied access to the new Singaporean economy by the PAP; in parallel, ethnic Chinese social and cultural associations were undermined by government-sponsored alternative organizations designed to dilute, divert and render irrelevant Chinese clan and cultural forces. The government orientation of denying the presence of Chinese cultural beliefs and practices operated through a number of policies, including a broad spectrum of multi-racial initiatives in education, cultural affairs and housing designed to challenge the numerical dominance of the ethnic Chinese by giving equal cultural participation to the Malay and Indian minorities, enforcing English-language education and housing allocation designed to prevent the formation of single-ethnic enclaves.

While the racial and ethnic policies of the PAP have continued to the present day the economic recession of 1985 forced the government to reconsider its attitude to ethnic Chinese business. The predominantly Chinese small and medium enterprises (SMEs) at this time were labour intensive and generated low-productivity outputs. As they employed just over 40 per cent of the workforce they were seen to be responsible for locking up scare economic resources that could potentially be deployed in more productive enterprises and, in addition, the government
realized that a modernization of the SMEs would not only release labour into the economy where it could be better employed but reorganized SMEs could operate as suppliers and subcontractors for foreign multinational corporations operating in Singapore, thus effecting technology transfer and attracting foreign investment (Chan and Ng 2006: 43–44). A large number of government schemes followed to modernize the SMEs and integrate them into the economic development of Singapore. Needless to say, by subjecting the SMEs to a modernization and integration strategy the cultural forms that may have operated in the ethnic Chinese family firms up to 1985 have been undermined and replaced with state-monitored economic rationalizing practices that brought them into line with the dynamics of the state–capitalist economy the PAP has envisioned and realized since 1959.

While the post-colonial Singaporean government began as a promoter of state capitalism and has continued to operate with a modernizing set of practices for the economy, it formed the view in the late 1970s that a market-based consumer-oriented society generated an ethos that could not legitimate the bureaucratic authoritarianism promulgated and promoted by the PAP. From this time it began to develop a ‘survival ideology’ emphasizing discipline and organization (Khong 1995: 124). This ideology was presented through a state–elite sponsored debate concerning the negative influence on Singaporeans of ideas ‘from abroad’ – difficult to monitor and control – in which ‘Asian values’ were advanced as a positive antidote to the ‘Western values’ that encouraged bad behaviour and mentality; the Asian values most desirable for Singaporeans were encapsulated in Confucianism (Khong 1995: 125–126). At the beginning of 1982 the government announced that Confucianism would be introduced into the school system, to be taught as moral education. In order to prepare and implement this programme the minister of education ‘invited to Singapore eight foreign specialists on Confucianism (all but one from the United States) to advise the Singaporean government on the design of a Confucian curriculum’, even though Singaporean businessmen ‘were concerned that it might undermine the development of that city-state’ (Dirlik 2011: 110, 123).

Confucianism has a long history in Korea, from the establishment of the Chosŏn dynasty in 1392. When it ended in 1897, the Chosŏn had occupied the longest ever period of Confucian rule in East Asia. The Confucian tradition continued after the collapse of the Chosŏn state through the continuing social dominance of the traditional landed families (yangban), which ended in 1949 when the newly established Syngman Rhee government enacted land reform in South Korea, effectively abolishing the landlord class that was the basis of traditional Korean society. Although the South Korean state would later indirectly use what it described as Confucian values as instruments of social control and legitimation, there was after 1949 no endorsement of the Confucian tradition, to which there was ‘tremendous antipathy’ as it was seen as an ‘obstacle to economic development’ (Robinson 1991: 218–219). Economic development eluded the corrupt Rhee regime that was deposed amid massive student protests in 1960. With a military coup in 1961, led by Park Chung-hee, rapid and significant economic growth began through the policies and practices of the Korean developmental state.

The Park regime succeeded in promoting strong capitalist development by supporting and assisting select national corporations, chaebol, through careful economic planning and professional state administration, and by the imposition of political stability through a state political machine. General Park personally oversaw and which penetrated all levels of South Korean society. When Park assumed political power in 1961 he acquired the levers of economic control. First, the banks were nationalized thus enabling the government to set interest rates and determine the allocation of capital; second, the government initiated an attack on corruption and profiteering, leading to the arrest of the heads of South Korea’s ten leading companies (Jung 1988; Kim 1971; Kim 1997). Having subordinated big businesses to the state, the government brought the leading
corporations into a developmental partnership in which the state provided both cheap capital through the nationalized banks and a low-wage workforce through the suppression of unions. In return the chaebol 'contributed' a portion of their profits to pay for and maintain the political alliances and party machine Park had put in place. The chaebol were also to comply with the state investment priorities engineered and administered by the state bureaucracy. The rapid growth and industrialization that South Korea experienced under Park, which served both business and the government party, operated in terms of economic incentives and disincentives. Traditional values, though, legitimated the managerial style of the chaebol.

South Korean companies made much of the Confucian background of their management practices. Many writers note the ambiguity with which corporations draw upon what they describe as 'traditional' values 'informed' by Confucian ideas 'evoked rather than invoked' (Janelli and Yim 1997: 111) and which made use 'not of Confucianism but of a system of traditional values … formed under the strong influence of Confucianism' (Park 1997: 135). These circumspect statements reflect the partial, distorted and opportunistic application of Confucian-derived values by chaebol management. For instance, commercial transactions were held by management to include a moral dimension in which the 'more privileged party to a transaction had an obligation to consider the plight of the other' (Janelli and Yim 1997: 111–112). This sense of obligation (injöng) featured in South Korean corporate functionaries' critiques of Western and especially American business practices. It was 'not the result of an unreflective Confucian compulsion but rather a choice of a cultural concept that was informed by Confucian understandings of how social relationships ought to be conducted and was simultaneously serviceable as a political-economic resource' (Janelli and Yim 1997: 114). It might be added that injöng was never applied to the corporation's relations with its workforce.

South Korean managers' appeals to Confucianism functioned to legitimize their control of subordinates in which unquestioning obedience was expected in labour relations characterized by intense work practices and low pay. The Confucian gloss of the corporation as a family, propagated by management, was not only misleading but typically not accepted by the workforce. Confucian filial piety is not primarily focused on a son's obedience to parents but role compliance in which initiative is exercised in caring for and supporting parents (Janelli and Yim 1997: 119). The analogy of the corporation as a family was not accepted by the majority of workers, who preferred a military analogy of top-down command, discipline and unrewarded obedience (Janelli and Yim 1997: 121–122). Indeed, one commentator observes that 'Confucian authoritarian discipline' in South Korean work organization is an artifact of 'reinforcement from the successive militaristic cultures of Japanese colonialism, the war and the rise of the military [through the 1961 coup] in the political arena' (Kim 1988: 211). The promotion of Confucianism by the South Korean state in the 1980s was similarly a largely rhetorical attempt to legitimate the strong-state development model rather than recognition of any Confucian contribution to that development (Dirlik 2011: 112–113).

Mainland Chinese businesses were, for the first time since 1949, able to set their own market-led goals, retain profits and provide their workforces with material incentives such as performance bonuses as a result of the economic reforms initiated at the Eleventh Party Congress in 1978. These reforms were not officially fashioned as an introduction of capitalism to China but, as formulated at the Twelfth National Party Congress in 1982, as ‘Socialism with Chinese Characteristics’. Certainly the operations of the profit motive and personal gain leading to capital accumulation and the monetization and commercialization of an expanding range of social relations indicate a capitalist society. The continuing domination of the Communist Party, however, and the political generation and control of the market economy in which the state’s regulatory, monitoring, economic enterprises and planning roles have expanded as the private sector has
grown (Francis 2001) means that there is no differentiation from the political sphere (Szelényi 2010: 205–207). This has led some commentators to note that while China is no longer socialist, it is not clearly capitalist (Faure 2006: 68–70; Mann 2011: 22–23). Nevertheless, the international nature of market relations, production and surplus extraction, theorized in various ways (including dependency theory, world systems theory, economic globalization theory), and the integral links between China’s marketization and its entry into global capitalist networks from the early 1980s, encourages acknowledgement of the underlying capitalist dynamic of a highly distinctive Chinese form of party-state capitalism or centrally managed capitalism (Lin 2010).

From the point of view of Weber’s model of capitalism, China is a deviant case indeed. Considering the six conditions necessary for modern capitalism Weber set out in General Economic History (Weber 1981: 276–278) none are clearly satisfied in China. The persistence of state enterprises in key sectors and the continuing party control of the economy means that the first, ‘rational capital accounting as the norm for all large industrial undertakings’, cannot be properly met even though there is limited satisfaction of the second condition ‘freedom of the market’, especially in the consumer sector. With massive transfer of Western technology to China the third condition, ‘rational technology’, is satisfied, although the fourth, ‘calculable law’, is at best a work in progress and, given the dominant role of the party, quite compromised. Weber’s fifth condition, ‘free labour’, is arguably met in China although the suppression of independent collective action and organization by workers (Chen 2007) is a counter indicator. Weber’s final condition, ‘the commercialization of economic life … the general use of commercial instruments to represent share rights in enterprise, and also in property ownerships’, is both satisfied and not satisfied. The commercialization of economic life has progressed enormously since the early 1980s but the continuing mix of commercial and political instruments tends to nullify the second part of this condition. But these limitations on Chinese satisfaction of Weber’s necessary conditions for modern capitalism reflect more on Weber than on Chinese party-state capitalism. Historically, capital accumulation may generate marketization and also de-marketization at different times and in different locations (Hung 2012). Similarly, labour may be free or less-than-free, depending on the form and stage of capital development. The participation in entrepreneurial activity of state institutions, including the military, the police and universities (Bickford 1994; Ding 1996), is not confined to China but now common in Western capitalism (Sandel 2000: 91–93).

The success of Chinese capitalism, ‘embedded in the authoritarian structure of Chinese politics’ (Ku 2010: 38), is a confirmation of Weber’s account of Confucianism, according to Ku (2010: 26–29). The Chinese Communist Party’s dislodgement of the traditional landowning and propertied classes and their concerted campaigns against Confucian thought and practices during the 1950s and the Cultural Revolution (1966–1976) paved the way for present-day capitalism in China. The People’s Commune movement, begun in 1958, ‘successfully transformed village communities into factory-like production units’ so that ‘the functions of traditional family, lineage, and clan were more or less eliminated’ (Ku 2010: 38). Also, ‘the political transformation from “patrimonial bureaucracy” to “party bureaucracy” … has freed [China] from the mode of the “pre-modern state” that is characterized by inefficiency and the inability to utilize organizational strength’ (Ku 2010: 29). In this way ‘all of the institutional characteristics that Weber identifies as impeding capitalist development … have been overcome in the process of policy implementation’ (Ku 2010: 29). It is true that family obligation (xiāo) and network obligation (guānxì) persist in present-day China. These are not Confucian echoes, however, but consequences of the absence of state aged- and child-care (Whyte 2005) and of a robust law and rights framework (Qi 2013).

It is of particular interest in this context that since the mid-1980s there has been an official rehabilitation of Confucius and promotion of New Confucianism (Song 2003; Tan 2008). The
appeal of New Confucianism in China has a number of sources (Link 1986: 83–86), but two in particular are relevant to the present discussion. New Confucianism unites ‘cultural China’ in a way that acknowledges a common heritage that brings mainland China together with Hong Kong, Taiwan and Singapore and thereby facilitates the participation of overseas Chinese in the Mainland economy: up to the mid-1990s investors from Hong Kong, Taiwan and Singapore contributed 75 per cent of foreign capital to China, and if other ‘overseas-Chinese’ are included the figure goes up to 85 per cent. Officially, New Confucianism is thought to provide moral guidance when Marxist certainties have eclipsed. This is to say that Confucianism is introduced by the party to provide legitimation to its post-Mao capitalist development (Chan 1969: 32–35).

Conclusion

The discussion of Confucian thought and its possible connections with the development of capitalism in East Asia is refracted in the literature through consideration of Weber’s account of both. This chapter points to the quite different appraisals of Weber’s treatment of Confucianism, and also to the different meanings Confucianism itself has acquired in the development of East Asian capitalism. In briefly describing the development of capitalism in Singapore, South Korea and China different state strategies toward Confucian values have been indicated. Within these differences a common pattern emerges of the mobilization of Confucian values to legitimate extraneous economic and political arrangements. This conforms to the original state apprehension of Confucianism during the Han dynasty. In an insightful polemic the Chinese dissident writer Liu Xiaobo argues that while the historical Confucius may have been a ‘stray dog’, unable to find a ‘master’ who would employ him in state service, the sage Confucius, venerated by those in political power and their intellectual servants, becomes a ‘guard dog’ in defending state legitimacy (Liu 2012). But the perennial challenge of Confucian values to profit-making, as undermining family coherence and lineage, makes the support of Confucianism for capitalist activity at best ambiguous. This too returns us to Weber and his concern with the possibly ‘irreconcilable conflict’ between the different value spheres of ethical codes and economic practices (Weber 1970: 147).

References


