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Confucianism or Legalism? A Grand Debate on Human Nature and Economic Thought

<https://www.e-ir.info/2018/07/03/confucianism-or-legalism-a-grand-debate-on-human-nature-and-economic-thought/>

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One of the greatest intellectual debates in human history that has taken place in every civilization has been the role that the government or the state should play in the lives of its citizens. This question typically relies on another important ontological debate, which is the debate on human nature. Those who argue that human nature is inherently evil, typically advocate for a larger role by the state in the lives of its citizens. Conversely, those who believe that human nature is inherently good, typically argue that the states role in the lives of its citizens should be limited, in order to allow rational individuals to fulfill their potential. This paper will evaluate economic thought during the Warring States Period to the establishment of the Han Dynasty, and how it relates to the ontological question of human nature. This paper will seek to offer a comparison between the Confucian economic thought of Confucius, Mencius and Sima Qian, and the Legalist economic thought of Lord Shang Yang, Han Fei Tzu and Xunzi. Although Xunzi was a follower of Confucius, this paper will argue that Xunzi was a Legalist who deviated from traditional Confucian thought, and therefore his arguments on the role of the state in the economy and on human nature varied substantially from Confucius and Mencius. Legalism played an instrumental role in challenging the inherent assumptions of Confucianism during the Warring States Period and played a critical role in unifying the realm, thus ending the Warring States Period. Legalist scholars argued that if the state allowed individuals to pursue their own self-interest and accumulate wealth, the state would become weak. However, the ultimate downfall of the state occurred through the oppression of the individual, or as Confucius argued, by governing against nature. This led to the return of a Confucian style of economics during the Han dynasty, which was expanded upon by the great Chinese historian, Sima Qian.

The Master, Confucius, believed that a government's role in the lives of its citizens should be limited. Confucius told Tsze-kung that "The requisites of government are that there be sufficiency of food, sufficiency of military equipment, and confidence of the people in their ruler." [1] Therefore, the role of government was basic and its purpose was essentially to protect the population, while allowing individuals to pursue what they are meant for, based upon their own inherent rationality. Confucius opposed unnecessary state intervention in the economy and was also opposed to governing against nature. [2] Additionally, one of the greatest followers of Confucius, Mencius, expanded upon Confucius' ideal of limited government intervention by discussing the rationality of the individual. Mencius stated that, "There is a common expression, 'The Empire, the state, the family'. The Empire has its basis in the state, the state in the family, and the family in one's own self." [3] Therefore, for Mencius, individuals were the most important aspect of society in relation to heaven. [4] Additionally, Mencius' opposition to government intervention in the economy is evident by his opposition to market monopolies. According to Mencius:

In antiquity, the market was for exchange of what one had for what one lacked. The authorities supervised it. There was, however, a despicable fellow who always looked for vantage point and, going up on it, gazed into the distance to the left and to the right in order to secure himself all the profit there was in the market. The people all thought him despicable, and, as a result, they taxed him. The taxing of merchants began with this despicable fellow. [5]

Additionally, when explaining the concept of Kingly government to King Hsüan of Ch'i, Mencius stated, "there was inspection but no levy at border stations and market places." [6] Therefore, Mencius was advocating that merchants be exempted from taxes on what they import into the market place, and limited government intervention. Mencius'

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writings on the economy were based upon his view of human nature. Mencius believed that the individual was rational and capable of learning, something that would be viewed as a liberal view of human nature, today.

Mencius' conclusions became very controversial to scholars of the Warring States Period, including Lord Shang Yang, Han Fei Tzu and Xunzi, and this led to the creation of Legalist thought. Xunzi, another prominent follower of Confucius, disagreed with Mencius' assessment of human nature. Xunzi believed that human nature was bad; he stated, "Human nature is such that people are born with a love of profit. If they follow these inclinations, they will struggle and snatch from each other, and inclinations to defer or yield will die." [7] Additionally, Xunzi stated:

Mencius said that people's capacity to learn is evidence that their nature is good. I disagree. His statement shows he does not know what human nature is and has not pondered the distinction between what is human nature and what is created by man. Human nature is what Heaven supplies. It cannot be learned or worked at... Human nature refers to what is in people but which they cannot study or work at achieving. Human products refers to what people acquire through study and effort... [8]

The belief that human nature is inherently evil led to the belief that human nature and the anarchy that results from it needed to be controlled. This is what led to the doctrine of Legalism. Legalists utilize the state as a means to control human nature, and to prevent human beings from pursuing their own self-interest. Therefore, just like how Mencius' economic policy was informed by his belief in the rationality of the individual, the economic policy of Legalists was informed by their belief in the irrationality of the individual, and the need to control the individual in order to manage the inevitable chaos and anarchy.

The most comprehensive account of Legalist economic thought during this period was Lord Shang Yang, who held high office in the state of Qin between the years of 359-338 B.C.E. Shang's writings on Legalism became the basis for Xunzi's and Han Fei Tzu's writings. Lord Shang argued that "weakening the people" was a tool that the state could utilize in order to maintain stability within society. According to Lord Shang, "If the people live within humiliation, they value rank; if they are weak, they honor office; and if they are poor, they prize rewards." [9] Additionally, as opposed to Mencius, Lord Shang argued that a market monopoly was in the states best interest; this was fuelled by his belief that "Orderly government brings strength, but disorder brings weakness." [10] The Legalist scholar Han Fei Tzu, who was from the small state of Han, but advised the future Emperor of the Qin State when he ascended to the throne in 246 B.C.E., believed that preventing the accumulation of wealth by an individual was crucial in maintaining order within the state. According to Han Fei Tzu:

An enlightened ruler will administer his state in such a way as to decrease the number of merchants, artisans, and other men who make their living by wandering from place to place, and will see to it that such men are looked down upon.... When a man who sits back and collects taxes makes twice as much as a farmer and enjoys greater honor than the plowman or the soldier, then public-spirited men will grow few and merchants and tradesmen will increase in number. These are the customs of a disordered state: Its scholars praise the ways of the former kings and imitate their benevolence and righteousness, put on a fair appearance and speak in elegant phrases, thus casting doubt upon the laws of the time and causing the ruler to be of two minds. Its speechmakers propound false schemes and borrow influence from abroad, furthering their private interests and forgetting the welfare of the state's altars of the soil and grain. [11]

Legalist scholars such as Han Fei Tzu feared merchants, and more importantly, feared the accumulation of wealth because it threatened the power of the state. For Legalists like Lord Shang and Han Fei Tzu, who lived through the Warring States Period, the state was viewed as the only thing that could bring stability and order to an otherwise anarchic and chaotic world. Therefore, anything that threatened the power of the state was seen as a threat to order and stability.

Xunzi expanded upon the Legalist doctrine by arguing that control over the people and the economy was the only way to make a country self-sufficient. Xunzi advocated for the policy of letting "the people make a generous living through the exercise of government." [12] For Xunzi, this meant that the state had to control the use of goods in order to ensure that its citizens could live generous lives [13]; essentially, it meant protecting people from themselves. How

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exactly does one let the people make a generous living through the exercise of government? According to Xunzi:

If one taxes lightly the cultivated fields and outlying districts, imposes excises uniformly at the border stations and in the market places, keeps statistical records to reduce the number of merchants and traders, initiates only rarely projects requiring the labor of people, and does not take the farmers from their fields except in the off-season, the state will be wealthy.[14]

Once again, this emphasizes the deviation by Xunzi from Mencius' thought in regards to the taxation of merchants. This difference of course goes back to the crucial difference between Mencius' and Xunzi's views on human nature. If humans are rational and capable of learning, then there is no need to worry about merchants. However, if human nature is inherently evil, then there is a need to control merchants, in order to maintain order within society and to prevent the accumulation of wealth.

Xunzi's teachings had a significant impact on Li Si, one of his students who would become an advisor to the first Qin Emperor. Li Si played a significant role in the unification of the realm and the establishment of the Qin Empire in 221 B.C.E.; he eventually became Prime Minister of the Qin State.[15] As Prime Minister, Li Si quickly implemented Legalist policies, which included high taxation, and perhaps his most famous policy, a book burning policy that was done with the intention of controlling thought within society.[16] Li Si and the Qin emperor implemented Legalist policies that invoked fear and tyranny in order to control the masses and to maintain order. It is important to note that the Qin fought and consolidated control over many states in order to unify the realm; therefore, keeping stability and order after the two-century Warring States Period was crucial. However, following the death of the first Qin Emperor in 210 B.C.E., the state descended into disorder, which led to the beginning of the Han Dynasty. According to the historians Patricia Ebrey and Anne Walthall, "The Legalist institutions designed to concentrate power in the hands of the ruler made stability dependent on the strength and character of a single person." [17]

The consolidation and establishment of the Qin illustrated the success of Legalist economic policies. The teachings and writings of Legalist Scholars such as Lord Shang Yang, Han Fei Tzu and Xunzi played a crucial role in unifying the realm. However, once it was unified, Li Si and the Qin Emperor overstepped their mandate, and instead of managing anarchy, they created chaos. Jia Yi, a Han statesman and poet, attributed the downfall of the Qin to the two Qin Emperors.[18] Additionally, Jia Yi also blamed the Legalist economic policies for the Qin's inevitable downfall, by stating:

"Had the Second Emperor been even a mediocre ruler...had he only reduced taxation and statutes to alleviate oppression, curtailed sumptuary laws, and, after all the above had been done, had he lightened punishments, thus enabling people under heaven to renew themselves and change their ways so as to conduct their lives properly, each respecting himself..."[19]

Legalist scholars argued that if the state allowed individuals to pursue their own self-interest and accumulate wealth, the state would become weak. However, the ultimate downfall of the state occurred through the oppression of the individual, or as Confucius argued, by governing against nature.

In 178 B.C.E., the Han statesman Chao Cuo wrote *Memorial on the Encouragement of Agriculture*, which represented a return to Confucian economic thought. Chao suggested that an enlightened ruler "will encourage his people in agriculture and sericulture, lighten the poll tax and other levies, increase his store of supplies and fill his granaries in preparation for flood and drought." [20] Emperor Wen approved of Chao's recommendations, and grain became abundant.[21] Additionally, the resumption of Confucian economic thought was not only evident in the policies of the Han, but in academic writings as well. The great Chinese historian, Sima Qian, who lived during the Han dynasty, made significant contributions that advanced the writings of Confucius and Mencius with regards to the government's role in the economy.[22] According to Sima Qian:

Society obviously must have farmers before it can eat; foresters, fishermen, miners etc. before it can make use of natural resources; craftsmen before it can have manufactured goods; and merchants before they can be distributed. But once these exist, what need is there for government directives, mobilisations of labour, or periodic assemblies?

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Each man has only to be left to utilise his own abilities and exert his strength to obtain what he wishes.[23]

Sima Qian not only advocated the position of limited government that was argued by Confucius and Mencius, but went as far as to question whether or not government should have any role at all following the establishment of a formal economic model. Sima Qian did not see the need for extensive government involvement in the economy, especially when the basic economic system was already established. For Sima Qian, the best policy was to 'let it be' and to allow the individual to fulfill their own self-interest, as they are rational.

The four-century debate between Confucian and Legalist thinkers on human nature and the government's role in the economy mirrors the ongoing intellectual debate between Liberals and Mercantilists that began with Adam Smith's publication of *The Wealth of Nations* in 1776. Liberals, much like Confucian thinkers, have argued for a limited role by the state in the economy, whereas Mercantilists, much like the Legalists of the Warring States Period, have argued for an increased role by the state in the economy to ensure protectionism and to control human nature. The interesting aspect is that this ongoing debate did not begin with Smith's publication in 1776, but began with Confucius' *The Analects*, which was published after his death in 479 B.C.E. This intellectual debate transformed into a full out intellectual war during the Warring States Period, as Legalists scholars began challenging the inherent assumptions within Confucian thought in order to explain the anarchy, chaos, and constant warfare that they were living in. The contributions of Legalists scholars cannot be overstated, as their writings became the very tools that were utilized to unify the realm in 221 B.C.E., which ended the Warring States Period. Furthermore, the ongoing debate between Liberals and Mercantilists, which has included notable figures such as Adam Smith, Friedrich List, Alexander Hamilton, and John Maynard Keynes, is an extension of the intellectual debate that occurred between the Confucians and the Legalists during the Warring States Period to the establishment of the Han Dynasty. This demonstrates that a key understanding and reading of history, including civilizations that may seem unfamiliar, is essential in order to understand the current world.

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Notes

[1] Confucius, "Confucian Analects: Book XII", in *The Art of War & Other Classics of Eastern Philosophy*, ed. Ken Mondschein (San Diego: Canterbury Classics, 2016), 296.

[2] Mao Tao, "Confucian thought on the free economy", in *The History of Ancient Chinese Economic Thought*, ed. Cheng Lin, Terry Peach and Wang Fang (London and New York: Routledge, 2014), 154.

[3] Mencius, *Mencius*, IV. A, trans. D.C. Lau (Penguin Books, 1970), 120.

[4] Tao, "Confucian thought on the free economy", 157.

[5] Mencius, *Mencius*, II. B, 92.

[6] Ibid, I. B, 65.

[7] Patricia Buckley Ebrey, "Confucian Teachings." In *Chinese Civilization: A Sourcebook*, ed. Mark Coyle and Patricia Ebrey (New York: The Free Press, 1993), 25.

[8] Ibid, 25-26.

[9] J.J.L Duyvendak, *The Book of Lord Shang* (London, 1928), 154.

[10] Ibid.

[11] Han Fei Tzu, *Han Fei Tzu: Basic Writings*, trans. Burton Watson (New York and London: Columbia University Press, 1964), 116.

[12] Xunzi, *Xunzi: A Translation and Study of the Complete Works*, trans. John Knoblock, vol. II, books 7-16 (Stanford: Stanford University Press, 1994), 121.

[13] Ibid.

[14] Ibid, 123.

[15] Paul Rakita Goldin, "Li Si: Chancellor of the Universe" in *The Human Tradition in Pre-modern China*, ed. Kenneth J. Hammond (Wilmington, Delaware: Scholarly Resource Inc.), 16.

[16] Ibid, 20.

[17] Patricia Ebrey and Anne Walthall, *East Asia: A Cultural, Social, and Political History*, 3rd ed. (Wadsworth: Cengage Learning, 2014), 42.

[18] Jia Yi, "The Faults of Qin", in *Sources of Chinese Tradition, Vol. 1*, ed. William Theodore De Bary, Irene Bloom,

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[19] Ibid.

[20] Chao Cuo, "Memorial on the Encouragement of Agriculture", in in *Sources of Chinese Tradition, Vol. 1*, ed. William Theodore De Bary, Irene Bloom, and Joseph Adler (New York: Colombia University Press, 1999), 355.

[21] Ibid.

[22] Tao, "Confucian thought on the free economy", 159.

[23] Sima Qian, *Records of the Grand Historian*, "The Biographies of the Money-Makers", in Mao Tao, "Confucian thought on the free economy", in *The History of Ancient Chinese Economic Thought*, ed. Cheng Lin, Terry Peach and Wang Fang (London and New York: Routledge, 2014), 160.

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Date written: November 2017