

Research Trends

From Economic Man to Ecological Man: Discourse on Confucian Entrepreneurs 2019*

2019 marked the beginning of a new era in Japan. This year, the country not only ushered in the new Reiwa era with a new emperor, but also announced a new design for its latest banknotes, to be issued by 2024. Japan's new 10,000-yen note will feature the famous Confucian businessman Shibusawa Eiichi (1840-1931) 渋沢栄一, a choice which has sparked fierce debates in Japan. Shibusawa's *The Analects and the Abacus (Rongo to Soroban)* 論語と算盤 organically combines business and morality, laying the foundation for modern Japanese industry and economic growth. The following questions remain relevant in the Internet age: How has the spirit of Confucian entrepreneurship changed since Shibusawa's time?



On October 20th 2019, the 7th Discourse on Confucian Entrepreneurs 2019 (儒商論域 2019), jointly sponsored by CKGSB (Cheung Kong Graduate School of Business) and WEIB (World Ethics Institute Beijing), focused on the modern transformation of the Confucian business tradition: Spiritual Humanism and the practice of Confucian business. The goal of the conversation series is to explore the spiritual roots of Confucian business ethics as well as the universal human dimension of local Confucian traditions. The first

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six annual sessions had discussed theories of Confucian business identity and global ethics; the 2019 edition, attended by around 100 scholars and entrepreneurs from China and abroad, focused on the practice of Confucian business. The role of Spiritual Humanism in business practice was discussed from a range of perspectives, including panels on corporate governance and legal constraints, Artificial Intelligence and business ethics, Spiritual Humanism and “Big Business”.

1. Shibusawa Eiichi: The Godfather of Modern Confucian Business

Shibusawa Eiichi is regarded as the father of modern Japanese industry. He founded more than 500 companies across his lifetime, and there are as many as 1500 related contemporary offshoots of these endeavours. Japanese business models, and even the Japanese economic system as a whole, have been significantly influenced by Shibusawa’s forward-looking vision. Shibusawa regarded Confucianism as the central pillar of his management philosophy; his book *The Analects and the Abacus* sums up his own successful experience, which not only stresses the skill of making money by careful calculation, but also the importance of the Confucian Way, and of such values as loyalty and forgiveness.



In his morning Keynote Speech ‘A Tribute to Shibusawa Eiichi’, Kansai University Visiting Professor Kimura Masato 木村昌人 explored the characteristics of Shibusawa’s view of business morality. He argued that Shibusawa placed particular importance on the concept of *Gapponshugi*, focusing on banks in particular. His idea was that the introduction of *Gapponshugi* would be essential for achieving his lifetime goal of breaking the system of *kanson-minpi* (官尊民卑), a doctrine which affirmed that officials are superior to the people. As a theory of harmonious union between morality and economics,

Gapponshugi implies that the goal of business should be to gather the best people together, and then work together to achieve a concrete goal, thereby improving social well-being. In the contemporary era, what is the practical significance of studying the spirit of Shibusawa Eiichi? Kimura argued that Shibusawa's *Gapponshugi* calls for improvements to the existing monetary system, and even for a reform of the entire financial industry. At that time, Shibusawa also introduced traditional morality into investment and banking leadership circles by invoking Confucian categories. *Gapponshugi* can also be used as a reference for emerging countries, preventing corruption, reducing the gap between rich and poor, and halting the predatory expansion of finance capitalism.

Tu Weiming 杜維明, Dean of Peking University's Institute for Advanced Humanistic Studies, Honorary Professor at the Cheung Kong Graduate School of Business and Chair of the CKGSB Humanities Committee, first introduced Shibusawa Eiichi to entrepreneurs 15 years ago: "As modern society has advanced, finance capitalism has caused many cyclical problems, including financial recessions. But in Shibusawa's *Gapponshugi*, every market participant is unique. We need to integrate the moral sense of business into the existing capitalist model to better balance finance capitalism," Tu added in his Opening Speech. Against a backdrop of increasing global trade friction, the world, Tu argued, needs a new business civilization rooted in non-zero-sum thinking. In other words, although *Gapponshugi* is a Japanese concept, it represents a profound and universal reflection on contemporary capitalism.



Inoue Jun 井上潤, Executive Director of the Shibusawa Eiichi Memorial Foundation and Director of the Shibusawa Memorial Museum, also spoke on his own recent work. The announcement that Shibusawa's face would appear

on the ¥10,000 note had led more Japanese people than ever before to study his legacy: visits to the Shibusawa Memorial Museum had doubled or tripled in 2019. Furthermore, in 2021, the NHK drama *Seiten wo Tsuke* (青天を衝け), an annual TV series based on various Japanese historical figures, will focus on a young (and charming) Shibusawa. This popular TV show is sure to attract even more popular attention to Shibusawa's character and legacy.



Moriya Atsushi 守屋淳, Visiting Professor at GLOBIS University's Graduate School of Management, pointed out that Shibusawa Eiichi believed that the economic rationality of abandoning the weak, as dictated by an over-reliance on the abacus, would collide with the values of "loyalty, forgiveness and righteousness" in the *Analects* of Confucius. In his view, the *Analects* and the abacus were both means to achieve the goal of Japan's overall prosperity: "In the tension between the *Analects* and the abacus, we can achieve social prosperity and moral life, and ultimately achieve the prosperity of society as a whole," Moriya said.

Wang Jianbao 王建宝, Director of CKGSB Center for the Humanities and Business Ethics, also argued that the development of modern society and financial capitalism had brought many cyclical problems along with it. In Shibusawa's *Gapponshugi*, however, Wang saw an opportunity to 'integrate the moral sense of business into the existing capitalist model'.

2. The 'New Mission' of Confucian Businesspeople

In the eyes of Tu Weiming and Cui Baoguo 崔保国, Professor of Journalism and Communication at Tsinghua University, Shibusawa Eiichi is undoubtedly a model of the practice of modern Confucian business. In the Information Age, and especially with the advent of the Fourth Industrial Revolution, what will change in the spiritual orientation of Confucian businesspeople, and what

will remain constant? According to Tu Weiming, Confucian entrepreneurs need to have deep cultural understanding, broad humanistic concerns, respect for foreign civilizations and religious beliefs, and a sense of responsibility for social welfare. Thanks to its policy of Reform and Opening Up, China's economy has accumulated well, and entrepreneurs have begun to pay attention to the significance of the moral life, which is not only a pursuit of material success but also an extension of social capital, a cultivation of cultural sensitivity, and an overall advancement in ethical wisdom and spiritual value. As a new field of study, in short, Confucian entrepreneurship is ripe for further exploration and development.



“The spiritual tradition of Confucian merchants has a long history, but its spiritual connotation needs to be reconfirmed,” Cui agreed, arguing further that Confucianism is a platform for cultural integration and a holistic educational system; Confucian businessmen are not representatives of Confucianism in the abstract, but rather an embodied synthesis of the best of Chinese culture. ‘Confucianism’ thus understood is the internal integration of diverse Chinese traditions, including the philosophy of the *Book of Changes*, Taoism, Buddhism, Legalism, military philosophy, and even medicine.

3. “Big Business” Thinking: Entrepreneurs Plant Trees, Businesspeople Trade Wood.

What does “Big Business” really mean? Tu Weiming’s speech raised a series of important questions for scholars and practitioners alike. In the Dialogue on Spiritual Humanism and Big Business, meanwhile, Chen Shaofeng 陳少峰, Professor in the Department of Philosophy and Religious Studies at Peking University, defined the difference between entrepreneurs and ordinary busi-

nesspeople as the difference between ‘treegrowers’ and ‘woodtraders’. Entrepreneurs are people who create intrinsic value, while businessmen are people who use leverage to further enlarge this value.

Tea industry expert Deng Zengyong 鄧增永 offered his own views on the meaning of “Big Business”: “There are no particularly large enterprises in the tea industry, but the scope and influence of tea are very large. Tea originated in China, but it has taken different cultural forms around the world. Tea culture as a whole can be described as “Big Business”: from planting and cultivation to tea drinking, the whole process is an example of the need to address the challenge of harmony with the environment. Tea planting, for example, is beneficial to soil and water conservation and climate regulation in hilly areas.”



A man who can do “big business” must be a hero; Zeng Guofan, the military leader responsible for suppressing the Taiping Rebellion, believed that such a hero must be smart and wise, that is to say, he must stand tall, look far, look deep and look more carefully than others. Liang Zisu, 梁紫蘇 Lecturer at Jiangnan University’s School of Foreign Languages, cited Shibusawa Eiichi as an example of such leadership, not least with his lifelong commitment to non-governmental diplomacy with the United States. Part of “Big Business”, Liang argued, is inseparable from engagement with international affairs. Ming Xu 明旭, Lecturer at Zhejiang Media College, also offered the example of Zhang Jian (張謇), a leading social reformer and industrial entrepreneur in early 20th-century China, as an argument for a broader definition of the modern stakeholder.

Zhou Li 周立, Assistant Dean at the Cheung Kong Graduate School of Business, believes that CKGSB has built on the four dimensions of Confucian Spiritual Humanism advocated by Tu Weiming to offer a “third

stage” of global entrepreneurial vision. The first stage was to learn from Western books; the second stage was to introduce Western experience; now human dilemmas must be solved together with the West. Business offers the greatest platform for social change, and has a huge impact on the world situation as a whole.

From economic man to cultural man and ecological man, Shibusawa Eiichi provides a model of the modern Confucian businessperson. The mission statement of the Discourse on Confucian Entrepreneurs states the challenge as follows: “For modern ‘economic man’, wealth can be as much a prison-house as a blessing. The Confucian *Great Learning*, however, distinguishes clearly between money (‘the lubricant of individual households’) and virtue (‘the lubricant of individual character’). Such a conception of the relationship between the economic and moral dimensions of human life offers a path towards the horizon of a new business civilization in which wealth is an enabler of character development rather than a source of alienation.” Cheung Kong Graduate School of Business, developing busily towards a holistic vision of Industry 4.0, provides a powerful platform for cultivating Confucian entrepreneurs, not least with its emphasis on a “new business civilization” with spiritual roots in Confucian business ethics.

