

CFRED's 17th International Economic Law Seminar:

IS CONFUCIANISM STILL A HINDRANCE FOR CAPITALISM IN CHINA?

by

Prof. Klaus Nielsen

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Chaired by: **Prof. David Donald**, *Faculty of Law, CUHK*

27 June 2017, Tuesday, 12:30 – 2:00p.m.

The CUHK Graduate Law Centre, 2/F Bank of America Tower, 12 Harcourt Road, Central

In this seminar, Prof. Nielsen will share his paper which reviews the argument developed in Max Weber's "The Religion of China. Confucianism and Taoism" that Confucianism hinders/obstructs the emergence and functioning of Capitalism in China, and confronts this with stylized facts about the emerging capitalist economy in the last 3-4 decades and with data (interviews and archival) collected in the context of a research project about the dynamics of the Chinese model of capitalism.

In more than two millenniums Confucianism was entrenched in Chinese society as organizational principles and behavioural guidelines officially sanctioned and supported by education. It lost its official recognition and privileged position in the early 20th Century. However, recently, a quiet restoration has happened.

Some features of Confucianism are seen to hinder capitalist dynamics: whereas others underpin capitalist economic growth. The paper concludes that although the evidence is ambiguous, Confucianism does not seem to have hindered the emergence of a booming capitalism. It has rather strengthened it. However, at the same time some of the defining characteristics of Confucianism have been weakened as an effect of the Chinese capitalist dynamics. Individualism (Western cultural influence, consumer behaviour) has become entrenched. Employees have become less subservient. Scepticism toward guanxi has become widespread. Huge attitudinal differences have become evident between young versus old; and new middle class norms with new aspirations linked to quality of life has developed among urban professionals.

The weakening impact of Confucianism on economic behaviour is a problem because it may be seen as more needed than ever as a corrective to the dark side of capitalist development in China. Crony capitalism, exploitation and immoral profit seeking is reflected in numerous business scandals around product safety issues, neglect of labour rights, pollution etc. Immoral profit seeking is a result of too much unrestrained modernity and too little Confucianism (the perpetrators are no Confucian 'gentlemen'). Further, corruption, exploitation of labour and land grab is caused by violations of the Confucian requirements of mutual obligations, reciprocity and paternalism. More Confucianism may be seen as the solution.

ABOUT THE SPEAKER:



Prof. Klaus Nielsen joined Birkbeck, University of London in 2003 having previously held a number of academic positions in his native Denmark, including a Professorship in Social Science from 1996. In 2007 he became Professor of Institutional Economics at Birkbeck. His research interests are varied and include institutional economics and other institutional approaches in the social sciences; social capital, innovation and competitiveness; socio-economic discourse and economic performance; China's economy and the economics and sociology of sport. He is the author of several books and more than hundred journal articles and book contributions. He is Chair of Millennium ltd which owns the Journal of Institutional Economics, Chair of FEED (Foundation of European Economic Development), and Member of the Board of WINIR (World Interdisciplinary Network of Institutionalist Research).

All are welcome!
Admission is free of charge!

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