Moral Reflection on Global Crisis:
Learning Harmony and Ethics as a Solution

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Two qualities of Civilizations

Civilization has been developed to achieve human ends of human well being as well as fulfillment of human potential as human beings. Civilization is therefore a form of human existence which substantiates and enriches human life by way of creating ways of survival, tools, economies, human relations, communities, powers, wealth, values, knowledge and wisdom. One can see that in order to warrant human well-being, civilizational creativities must conduce to good results which refresh and yet sustain, expand and yet conserve, just like human life itself. It would be like a collective life which should maintain its vital health, its organic functionality, its ability to cope with new situations, its willingness to learn from experience and be intelligent, its openness to future exigencies and its energetic or synergetic drive to future goals. Since civilizations develop in different loci on earth (and perhaps on some planets of other solar systems in the universe), they must share some common qualities and goals, which are, to say the very minimum, the will to fulfill life on collective basis and the will to sustain its identity in a creative process of timely regeneration, cooperation, mutual adjustment and mutual sharing.

But in order to maintain these two minimum qualities and goals, a civilization must learn to maintain an internal or intra-functional harmony like an organism, for if there is a dysfunction of any organic part of a human body, there is the danger to its vial health and hence its ability to survive and flourish. On the other hand, it must also learn to maintain an external or inter-functional harmony, again like any life organism which must interact with its environment in a productive and cooperative manner so that the environment will sustain its survival and prosperity. In return, the organism can be said to be an organic articulation of the environment supporting its growth and its fulfillment. We may see both forms of harmony as intrinsic ends of life and civilization. Both are required conditions of civilizational creativities in order for any civilization to grow and keep growing.

Given this understanding of civilization and its flourishing, we must also see troubles of civilization like we see troubles of human life. A human life could become ill because of its failure to maintain its
metabolism and it can become diseased because of being affected from polluted environment. Furthermore, a human being could become weakened because he becomes enslaved by others whereas eventually the enslaving party will also become weakened through its domination and tyranny which generates conflict and tension. This means that how to develop an open system of friendship and cooperation between and among human beings and civilizations is a must for maintaining both internal and external functional harmonies so that human life civilized communities could cope with their own natural needs and learn from each other. It is in this way that they are able to cope with common problems arising from the natural environment. It is for this reason that ethics arises as a necessity because we can see ethics as a way of nourishing our innate capacities to cope with ourselves, others and the larger world in a virtuous way, namely in a way which will generate unified strength and harmonious efforts, attitudes, hopeful visions and common goals. We must learn ethics in this way because we must learn it from experience together with our reflections on ourselves as human persons. It is on this basis we can speak of social and ethical needs knowledge, learning, self-restraint, love, respect, courage, fairness, justice, propriety, order, trust, and harmony and wisdom over all. It is on this basis that we can overcome any disease and disorder endangering the human species. It is on the basis of our awareness of what we need and what ought to do through self-reflection that we can deal with any crisis arising from own weakness or our failures through our own faults or faults of others. This also means that we must learn from others so that we may strengthen ourselves in order to help others and secure a prospect and future of relationship which share knowledge, trust and will to good, which is harmony among human beings.

This description on the process of learning and overcoming ill dispositions when we become in trouble applies equally to civilizations. It becomes more needed than common human relationships because civilizations tend to be more self-contained, more powerful, and more controlled by habits and inertia. But nonetheless, human civilization could become sick and diseased and needed very much a therapy of learning and cooperative assistance from others. The fact is that apart from being diverse organic forms of existence, civilizations are highly specialized in ways of survival and flourishing and must learn to learn from each other in order to deal with crisis and disasters which may reflect the weakness, not the strength of the individual civilizations. To give an example, while ancient Egyptians are good farmers, they are not good voyagers in comparison with the Greek. In modern times, according to Leibniz, Europeans are good scientists in his time but they may not have good civilian governance as the Chinese in his time did have. Today we also witnessed how different nations rise in power because of their talents of commerce and military power, but we also witnessed how they become waned and declined in time precisely because of their strength which evolved into a weakness and a diseased burden.

Two Laws of Civilizations and Three Types of Crises with Big E

This last point is significant because we may think that we can forget the ancient wisdom of survival, and because we have advanced and progressed from agricultural society to an internet post-industrial or post-informational society. Our expertise has made us powerful but like an animal species which become over specialized and lived in a niche eventually faces a danger of extinction precisely because of loss of ability to adjust to changes of environment, including changes that grow in us due to our living conditions. What we have lost is a generalized ability to adjust our creativity to a generalized environment which contains all possibilities of change due to our use of energy in time and space.

With the human analogy in mind for the purpose of understanding, we must draw two general laws of civilization regarding survival and sustainability on the part of each specialized civilization. The first law is the law of civilizational conservation which consists in holding that we should not forget history from which we arose. We must learn from our histories so that we will avoid our mistakes that we have committed and so that we will remember our experience as elements of our wisdom to deal with life in crisis for future to come. We should not forget our roots in order that we become wiser and freer for the future. There is also the second law of civilizational mutual learning which we may call the law of intercivilizational survival and sustainability which consists in holding that we should always try to learn from others, not to beat up others like enemies, but to cooperate with them like friends. For we have limited
resources and limited knowledge as well, and as such it is always important to learn from other expertise of other civilizations so that we can share our wisdom for solving common problems of life. It is a fact that, as our problems of life have become more and more common and more and more widespread, without such cooperative attitude in learning we shall make no progress. In fact, if we stay in enclosures of ourselves, we shall eventually lose our creativities and become victims of our selfishness, arrogance and impudence. This also means that we need to go back to basic virtues of life as human beings which have taught by Confucius more than 2500 years ago.

Three Types of Human and Civilizational Crises

We may observe now that there are three types of crisis in a globalized world of today. There has been an Ecological Crisis going back to late stage of industrialization which leads to global warming. Although some people still tend to ignore and deny its existence, the evidence for its existence and worsening is growing. There is now also the Economic Crisis which takes the special form of financial crisis as occasioned and caused by American financial practice. We may even title it Economic Crisis by Financial Manipulation, which consists in efforts made to increase financial wealth of the financially well-selected by way of using instruments like stocks and secondary mortgages. We may be reminded of the exploitations conducted by George Soros in the 1997 financial crisis in South and East Asia. In essence there is no real difference between the 1997 crisis and the present day financial crisis except that the present day financial crisis is much more spread and more series because we are in the middle of developing a more globalized world.

Analyzing both ecological and economic crisis we come to the third kind of crisis which we shall label the Ethical Crisis. The Ethical Crisis as I see it is deeply rooted in the lack and despising of integration of ethical values in human civilizations as much as it is the pushing to the extreme of one useful form of ethics over other forms of ethics, and thus showing a loss of the vision of the basis for ethical thinking which is humanity. Ethics becomes so specialized and professionalized that when it is split in special forms and attached to different professions, they lose considerations of their coherence and interrelationships. In some cases one type of ethics is over-used to generate a result which is precisely prohibited by another type of ethics. For example, in the push for the economic profits utilitarian ethics is cited to justify the maximization principle of making profits which is good for each corporation but which may become corrupting for the whole society. The fact is that the whole human society is not just a collection of corporations, financial or not, and to maximize profits for each is not a good for the whole. Hence we need an overall principle of ethics which should instill care and social accountability for the whole community, not to say the global humanity. The splitting of ethics will reduce ethics to nothingness, and because of that, some human beings become economic heroes or achievers on the one side, and some others become victims or misfits of the economic market, creating a gap between the extremely rich and the extremely poor in the world of humanity. In this regard, both Ecological Crisis and Economic Crisis are consequences of the loss from Ethical Crisis and hence are critical manifestations of a serious lack of ethical concern which also leads to obvious moral callousness toward inter-human relations.

Saying this is to say that if we wish to correct and cure the two first crises with the big E, we have to make effort to confront the third crisis with the big E. It is by reflecting on the ethical crisis that we might be able to root out the troubles created by the two crises with the big E. As we shall see, we can overcome the ethical crisis by relearning ethics in an integrative sense which is ethics of humanity. For this reason, both the post-industrial countries which may have worries on ecological crisis, and those developing countries which have suffered from economic crisis not necessarily created by their own hands, all need to be awakened to an ethical awareness and moral reflection on how to deal with corporate and political actions. It is especially up to the American leaders to examine both their habits of heart and their habits of mind on matters to do with their language of technology and strategy which cover up their facile financial pragmatism and economic egoism. This present financial crisis is a good opportunity to visit on
the integrative and holistic ethics of humanity in the Confucian tradition which does not belong to China alone, but belong to the whole humankind in this globalised world. It is also a reminder to the Chinese Civilization that it contains a message for the world and it should treasure and value it for the benefits of the whole world.

In the following I shall analyze the problem of financial crisis and comments on various cultural and moral factors which make it happen as a disease due to lack of intra-functional harmony which may be caused also by a form of inter-functional disharmony due to attitudes of arrogance and greed toward others. I shall then go to some suggestions as to how the Chinese Wisdom as contained in Confucianism should be learned for coping up with habits of heart and inertia of mind with a focus on economic profits alone and self-interests only, due to arrogance and greed.

Analyzing Financial Crisis as Power Play

Lord Acton says that power corrupts and absolute power absolutely corrupts. To have wealth is to have a certain power. But the way acquisition of wealth corrupts may differ from the way other forms of power corrupt. For the political power could wish to have more power and therefore abuse the power which causes its collapse whereas the self interests of the rich make the rich want more rich and for that reason the corruption may take subtle ways of manipulation of maximizing one’s wealth and hurt innocent others without forewarning. The acquisition and accumulation of wealth may take the form of aggravating the poor and therefore increasing the gap between the rich and the poor up to more than 25 times. There are well managed forms of wealth acquisition such as raising prices of oil under monopolistic or plutocratic conditions.

But there are side-effect types of money-making which may lead to unexpected wealth accumulation or may lead to collapse of one’s financial empire such as we find in some people or company ‘s unscrupulous action in over- investment or over-spending or in using up one’s resources in order to win a gamble or a game. The behavior of these is often to the disadvantage of people in general although it may appear to benefit the public. A good example is the nowadays common practice of airlines to overbook or double book passengers in order to make sure that their flights always carry full capacity. But unfortunately, this practice is done in complete ignorance and neglect of the interests of the public who has placed the full trust in the airlines. The practice of promoting second mortgages under the covers of collateral debt obligations (CDO) and collateralized mortgage obligations (CMO) are precisely such type of self-profiting and self-serving action which may appear to serve a larger group of people but which actually places the whole public at risk.

One can see how overinvestment can be risky business but sometimes one opts to take the risk by imagining one can win profusely, particularly when the chance of winning may appear bigger than what it is. Hence there is an element of self-deception in financial games which one may not even notice at the first sight because one is indulged in the exuberance of achievable success. There is another side of the financial power which has a non-satiating quality which may not be shared with political powers, namely the maximum profits could be maximized to no limit. Before one realizes all financial games and products are to do with social trust or trust of people in the market, they only appear to be abstract figures in accounting mathematics. Hence one may not know the crisis of erosion, corruption or collapsing until it became triggered out by actual demand of credit. The danger of the game is that once such triggering takes place, there is no end to the domino fall in the chain of financial credits.

It is clear that in modern times all financial transactions have in one way or another tied or linked to financial companies who are supposed to provide the financial support for credit. If the financial support cannot be actualized under the weight of debt, there is the great possibility of collapse of the credit system and hence all the involved in the transactions become affected. Moreover, one must see that our life is organic and our society is built on many different kinds of relationships and structures. For this reason, even those who are not directly involved in a failing kind of transactions will become victims simply
because we are all part and parcel of the chain of debt and credit in a given society and now in a global world. The drop in index of Dow Jones affects you and me no matter whether you cause a bad action or not. Once this happens, one can see the quantum effect of any action in the world: the fluttering of the butterfly in the African steppe may indeed cause shudder of the financiers in New York Skyscrapers. iii

What the above suggests is that in financial and economic zones, wealth is a moving force of progress, but it may at the same time become a force of destruction if one has no sense of responsibility, no idea of accountability, no control of one’s selfish desires and ambition, or no knowledge of a situation, or no good strategy to manage the wealth and its sustainability. In the extreme case, one may actually make a rationally bad move even though one may think one is making a smart move. This is because we lack knowledge of what situation is really and one has not done enough research and hard thinking on what to expect from environment one is not familiar with. One may be overwhelmed by one’s ambitions and ends which may otherwise become better controlled and better managed in complying with public interest.

It may be pointed out that an ill-intentioned move for the self-interest of one person or one nation may in fact leads to some good results for the public or the world. This may indeed happen, but we cannot count on this as a general law of the social development. For the fact is that in general good intention under normal circumstances leads to good result while bad intention under normal circumstances leads to bad result. We cannot count on bad behavior to make progress of the society. We can only hope that good action will bring out good result so that we can improve our ways of knowing and acting in accordance with good behavior, rather than with bad behavior. We may not expect others to be good from the start but we have to make sure that we ourselves have good intention from the beginning and do our best to guard that our good intention will work out good results.

Crime and Error of Ignorance and Crime and Error of Greed

There is something seriously wrong in a person or a company or even in a nation or culture if we act from bad intention because we cannot expect others to be well-intentioned and we therefore manage ourselves simply for sheer control of power and wealth. A market devoid of constraint eventually goes to monopoly and other economic woes. A world without ethical self-control of power will inevitably goes to war as we have seen in the last two world wars. The question to ask is how we could come to such endings. The present financial crisis provides a serious case study for interplay of power and wealth which leads to a wide gap between wealth and morality.

There is another blunder which may issue from the private interests and desires which could push a known moral convention to go beyond its tolerability or simply ignoring rational reflection for a good end, and thus subjecting oneself to blind forces of overstretching credit and trust. We may distinguish between two types of errors (or should we say crimes) here: one is the Error and Crime of Ignorance which consists in ignoring reality and other people rather than simply in having no knowledge, and the other is the Error and Crime of Greed or desire for power control through wealth or for wealth through power control. iv

Now in modern substantial economic transactions both the Crime and Error of Ignorance and the Crime and Error of Greed may be clearly detected in this financial crisis as caused by American corporations against a background of Western culture. The background of Western culture provides a way for doing things merely in terms of intellectual excellence with mathematical precision as a model. This may not be a bad idea for understanding, but how does it relate to actual world of change is always a problem and a challenge. The dualistic approach by Plato in making a distinction between ideal forms and experiential facts amounts to asking us to give up this world of reality and work for return to the world of ideals. Not to say whether human life is intended that way, the assumption that someone in some supreme position has the right to judge and the ability to set the standard of perfection already poses serious questions of legitimacy and justification. That is reason why Aristotle has to revert to a concrete approach by scientific observation and empirical understanding which combines universal and particular in real
things. But even for Aristotle he was not able to give up the preference for an ideal life in intellectual
meditation which cannot be applied to the mundane world of politics and economics.

However, there is something highly valuable in Aristotle in his consideration of the end of man as a
whole in spite of his proclivity toward objective science in classification of areas of human activities. He
wishes to define the *telos* of human activity as not just a matter of seeking happiness or well being without
consideration of social justice which is both distributive and retributive. In this fashion he wishes to see
ethics as a part of politics and perhaps economy as a part of ethics. However, there is one blind spot
which needs to be brought out, namely while ethics can be a part of politics and economy a matter of
ethics, one has also to say that we need to see politics as a part of ethics and ethics as a part of economy as
well so that ethics will not serve just as a tool for politics but as an end of politics, and ethics will not
serve just as an end of economy but as a way of managing economy as well. It is ethics of the individual
person and the whole community which links economy and politics as ways of developing the human
person and the humanity in general rather than the opposite. Unfortunately, the Western political and
economic history has shown for the most part that it is the opposite which rules and guides. It is the
political power and economic power dominates from the very beginning of the modern era where Europe
is emancipated from the thralldom of theocracy under the Christian Church.

The sarcastic thing is that while the medieval theocracy shows how God as the absolute power could
corrupt humanity and lost his position as a political ruler, he tends to be used as a model for control of
politics and economics in a latter day European development into a coterie of nation-states. The net result
of such modeling is that each nation would claim an absolute power (sovereignty) like God and yet
behaves without the morality of God as attributed to God if there is indeed such attribution. Hence the
tone for modern development of European states is to develop powers first with or without a search for
morality which should not only apply to all humanity but which should be rooted in humanity. One
cannot deny as a matter of historical fact that Western science and Western economy have been developed
as a result of developing a godly power without a moral purpose which inevitably leads to two world wars.

It is also interesting to note that after the Second World War, the nation states of Europe have waned
and the rise of America as a super nation state based on power and wealth marks a new stage of Western
civilization in which it is not a single people of the same race which dominates but a system of institutions
which becomes machines to systematically generate power and wealth. It may be argued that US
represents a new phenomenon of economic and political growth after the war due to its superior
institutions and location. This is no doubt true, but in so far as the people who uses these institutions are
prone to power and wealth without moral purpose and thus as inheritors of the old regimes of Europe such
as Rome and Napoleon France, these institutions cannot be said to be foolproof as all institutions are not.
This is because an institution has to be used by people in power and a moral institution could be used by
immoral people in power. It is in this light that one can see how the people in power and in wealth have
managed and manipulated the American institutions for the benefit of themselves rather than for the
whole public due to the two crimes or errors I mentioned which are not only errors and crimes of
institutions, but errors and crimes of the people who use them.

Apart from the blaring example of financial setup and practice in secondary mortgages, it has been
always clear that post-war American politics is to a large extent to secure advantages and powers to
protect the acquired power and wealth around the world and thus forget the democratic spirit of humanism
embraced in the Jeffersonian Declaration of Independence. Hence the international politics and domestic
politics of USA appear to be at loggerheads, one for democracy as a means to secure control of overseas
military basis and to contain the growing countries such as China and the other for democracy as a means
to achieve power and protection of acquired wealth or to continue the American way of superiority. In
neither is a moral purpose explicit or clear as in neither is the individual human person not tended with
political rights and some economic protections which prevent moral reflection. In this sense the American
citizens are reduced to what the radical American pragmatist Richard Rorty called wage slaves which are
no different in quality from the chattel slaves before the Civil War.
Financial Crisis and Global Financial Capitalism

It is against these and other historical and ideological backgrounds that the present day financial crisis becomes an illustration of how Western science works out in humanity and human social reality. Specifically it becomes an illustration of how American system of power acquisition and wealth distribution or redistribution works out in American society and American individual citizens. Now the result is so obvious that no one individual is to be pinpointed for blame, but a whole set of financial companies and corporations are to bear the blame for many policy mistakes which cover up the habits of mind and ambitions of heart of those in power and those who manages to acquire money from power and to acquire power from money-making. In the financial transactions individual persons in fact become just numbers and figures of financial statements and yet we may not really know or see the significance of the numbers with regard to their potential indications of risk and danger. We may even never know, because these numbers are not matched with the real things, the real situations and the real people. In fact, the most conspicuous feature of financial capitalism as generated in the Western tradition of science and American system of decision making is that it does not deal with real people, but with the possible gains and losses in numbers. It does not confine to a locality but go beyond one’s national borders for plundering and advantage-taking. We have vividly see this game of global financial capitalism at work in the case of 1997 financial crisis in south and East Asia as played out in a financial game of the Quantum Fund of George Soros.

Hence we must see the present day financial crisis in terms of the factors of risk as we have indicated in the above: 1) Blindness or ignorance of real situations; 2) Natural greed or inertia to go overboard or to seek a max which can grow to infinity ; 3) Self-interest and intentional plan or plot to take advantage of situations without accountability; 4) A blind force at work which people may be used and that blind force may cause corruption and collapse when time ripens; 5) combination of all these factors which no one is aware of and which upon the triggering off would cause an avalanche of harm trough domino effects.

In light of what I have said about the general Western background and American practice, I wish to argue that in financial behavior one must consider and evaluate these factors in contexts of ethics of motivation, consequences, rights and obligations. The lack of consideration of ethics or the lack of adequate understanding one’s social accountability is a fundamental issue for modern day financial capitalism. It points directly to some underlying cultural and ideological characters or its ingredients in the West and America which gives rise to certain habits of heart and inertia of mind of those in power and in wealth which inevitably lead to corruption and collapse of a power and a wealth from which general people suffers most. As we have pointed out, those patterns of Western cultural values and special attitudes in American Society have lent themselves to these factors of risk. We may indeed call these values and attitudes Westernism (Occidentalism) and Americanism respectively, because they reflect a certain special type of cultural traits of the Western and American cultures which are deeply seated and ingrained in consciousness, unconsciousness and education and religious beliefs of the West.

In this light, we are able to conclude in retrospect that wealth corrupts and unaccountable wealth corrupts unaccountably just like just like power, because wealth is used like a power to acquire more of the same as has been said above. Now the question is what we have learned from it, whether we can learn from it and how to get it out so that we shall not repeat the same crisis once again. Santayana has said that those who do not learn from history are doomed to repeat it again. Is this financial crisis somehow a repetition of Error and Crime of Ignorance and Greed under a different form, say from the Great Depression and two great world wars? It is a deeply disturbing question and yet without feeling disturbed we cannot really start to learn from it. History is not determined in nature but it can be determined by human action. The only way out of disasters by our action is to learn to become a better human person and to care for others as taught by a Confucian ethics which makes politics a part of ethics and see ethics and economy as mutually restraining and promoting. Western lack (or American rejection) of humanism as an intrinsic end is as fatal as let go the immune system of human body and thus set free all forms of
viruses and germs which would eventually overtake over human life and humanity and reduces them to miserable states of sickness and helplessness losing any power of recovery. There is such danger in the present financial crisis if not for some healing hand from another direction which gives hope and which may provide a future guide of human development. Perhaps, this happening serves a useful purpose, namely for a post-Western American to become genuinely global so that it may play a healthy role in developing a healthy world body and soul, one and many, East and West.

Lessons to be Learned from Confucian Wisdom

But in order to do this it is important to learn and learn deeply: it is to treat China as genuine equal partner in learning and cooperate in common efforts to achieve an economy without political domination and toward humanistic considerations. It is in this spirit we should speak of a world community in which no financial power should try to put down others and no personal interest in economic gain should lose sight of moral considerations of both motivations and consequence. It is also important that a post-crisis nation and country should reflect on entering a new age of economic cooperation and mutual support which should lead to international political partnership toward peace in which the dark motivations to upset another country or to encircle another country by detaining its economy or by stirring unrest should be allowed. One culture or one society must learn to learn genuinely form others. This no doubt may involve giving up bad habits of heart and narrow perspectives of mind so that selfish desires such as greed and tendency to use others as mere tools can be contained and restrained.

Note: What are the early cultural traits US which may have led to this misuse of financial capitalism? I believe that one is Puritanism or Calvinism which has a lot to do with rise of capitalism. The other is enlightenment and belief in technique and science which blinds people to seeing importance of common sense on humanity which populace values. There is a third factor which is abuse of power leading to isolationism and collective selfishness. This results in an attitude of methodological anti-moral cultivation of self and neglect of humanist education. Finally, there is radicalism in trying to forget historical experiences without making positive use of them but rather transforming them for negative use, such as denying existent war crimes and removing all safety deposit boxes after a single explosion.

In stark contrast with the American tradition we see how the Confucianism in China may help to avoid all these drawbacks from the fundamental level of humanity. This makes Chinese tradition a resource for developing a renewed world system with input of new experience and even new principles and arrangements in world economy and world finance. We may not totally wipe out the evils of financial capitalism when it is used for maximizing the profits of a corporation or a state, but we may respect the native autonomy in productivity and encourage local growth and domestic self-reliance without closing doors of mutual trading and exchanges. The present efforts by government for cultivation of domestic markets and macroscopic coordination and control are good illustrations of sound society-based and humanity-based economical development. But we must warn that China may still face two potential dangers: first, it may be pushed by the West into unfair and uneven exchange of interests to the harm of the Chinese side. This point is that the west has to genuinely wish to cooperate with the Chinese for the development of a global system of microeconomics under consideration of a fair-even macroeconomics. This means that in the west, particularly in US, no ill-intended policy of restriction should level against China or no intrigue of instigating enemy elements toward China in order to stem its proper development such as incensing the mob riots in Western border areas of China. This would be disturbing and lead to counterproductive effects in economic development and improvement.

There is a second area of worry: The Chinese government has to refine its policy and strategy in maintaining economic growth and be able to justify it on good grounds. In other words, China needs a theoretical base which would sustain the formulation of this present day polity of economy but will inspire and sustain later policy adjustments in dealing with new situations. Clearly, a philosophy of creative management and governance is needed for meeting complex changes in today’s human world. This
creative management and governance philosophy has to be worked out in connection with the historical experience and philosophical wisdom of China.

I shall describe this philosophy of creative management and governance in some broad terms for the purpose of showing how the Chinese tradition of philosophy, particularly the Confucian philosophy of humanity, could be incorporated into considerations of public policy formulation, enterprise development, economic development and diplomacy and international engagement with peace and harmony.

It is possible that China could still fall under the influence of the tradition of the west and inadvertently follows or falls into the same track of western history. Here a sense of independent of self-reflection and examination is extremely important for the Chinese development. Here I shall speak of a five power theory of the Confucian leadership for a globalised world which consists in establishing a harmony of values for all peoples in the world in a modern world and in harmonizing diverse interests of peoples and nations without denying the need for diversity and flourishing of the diversity.

Confucian Philosophy of Creative Self- Identification and Self-Management

Confucianism is a philosophy based on empirical observation and reflective understanding of humanity or what human beings are. It started with humble observation of how things and people are and how they change and move. This observational experience awakens the human being to reflection on his own identity so that he can make changes and assert autonomy of human will based on human feelings and human understanding. It is therefore a discovery of humanity from oneself to others and from others to oneself. In this discovery of the human self, one establishes one’s own identity and comes to feel for others with regard to their identities to be discovered by themselves. One discovers the human purpose of seeking good and human potential for seeking good. In this fashion the human person even comes to determine what is the right thing to do under relevant circumstances, and therefore comes to have a sense of ought for perfection of our ability to act and our understanding of the ends of human life as both an individual and a community.

In speaking of community it is discovered that a human being is a communal being and requires care and justice from others in order to survive, not to say to prosper and flourish. Given adequate communication, coordination and cooperation under proper circumstances, any human being is basically capable of improvement of his life and character by means of developing these attitudes and aptitudes. Of course, this is to say that a human being can transform and educate himself into a better entity with regard to his ends in light of his interactions and cooperation with other people. One more thing to say is that although a human person may need to appeal to an external God as a role model or as a guide or even as a permanent supporter and provider of life after death, he has to eventually discover that this need is his own need and his belief in God is his own belief rooted in his own need. He could explore this resource of invention of religion for his purpose, but he could also refuse to be enslaved to his religion so that he could be more creative in terms of continuous cultivation of his own identity and his own potentiality in which the belief in God is only one form. In this regard, Confucianism is not a transcendent religion like Christianity, but a rational and humanist philosophy and understanding of what a human being is, what he needs to do and ought to do, and what he can and should become, which includes both a moral philosophy and political philosophy and even a metaphysical philosophy of cosmos and all things in the world.

Given this description, one can see how Confucianism is capable of mobilizing all parts of humanity for achieving a state of being which would learn from human errors and which would sustain human development in a critical manner. We may proceed by starting with the principle of establishing the basic as the primary principle itself. The idea of the basic ben 本 (root) has the meaning of source, foundation and even the final end. As it is seen that once the basic is established, the dao will be generated “本立而道生” (“When the root is well-founded, the path to success will be generated”)，it is essential for us to know what is the most basic in our understanding of things. To know this is to know how things are in general generated and founded and thus to know the intrinsic order and logic of development of things. To know the basic therefore is not simply to identify something as source, but to deeply experience the basic as the source for extension and growth. In this sense to know the basic requires us to know the large
orders of things in which the human understanding of the \textit{ben} will enable us to reach for these orders from the basic.

The large orders and their generation represent the \textit{dao} or the way of producing and ordering things. To know it requires the human person to reflect and recognize on the basis of the basic. In this sense the most basic is the most comprehensive for it is from the basic we are able to reach for the most comprehensive. It is said in the Mencius with regard to “The self-ruling person (\textit{jun 君})” that if one first establishes what is great, then all the small matters cannot be taken away.” Hence the basic could be also seen as the great and the comprehensive because it can become the great although it may remain as the source which gives rise to the great. Why is this the case? It is because the source contains the roots for both the objective and the subjective, and their mutual stirring and activating are essential for realization of the great. In the Zong Yong it is therefore suggested that one should engage oneself in reaching the great and fulfilling the small (\textit{致广大而尽精微}) as two correlated tasks of understanding the creative works of the \textit{dao}, for the \textit{dao} can be seen as the way in which the mutual stirring and fulfillment of the self in the world are realized and this is possible because of the creative power of the \textit{ben}. This is how I have argued that the \textit{ben} leads to the formation of the substance and the system \textit{ti}.

It is important to see that the \textit{ti} or the system is always founded on the basis of the basic. Once we lose sight of their intrinsic connection, we may be led astray and be deviated from the \textit{dao}. That is the reason why Confucius asks a person to let his heart set on the \textit{dao} (\textit{志于道}). \textit{The \textit{dao} belongs to both the outer and the inner world. For understanding the \textit{dao} one must open one’s eyes to natural patterns of things such as the creativity of natural birthing and natural orders of seasoning. For understanding the inner, one must realize one’s true nature in caring for others.}}

Apart from this primary principle of going to the basic, there is a second principle in self-identification and self-management. The second principle is to distinguish the public-minded from the selfish-minded, or the right from the profitable. This distinction has to do with one’s position in the universe or in society. Naturally, one wishes to conserve oneself and flourish through a self-realizing process. But the question is whether one comes to take advantage of others in a position that one is trusted to benefit others and yet one benefits oneself only. Subtle distinction has to be made whether in seeking benefits for oneself in a position or in a situation one has in fact or as a result hurts others. One has to see that to advance oneself is one thing and to advance oneself at the expense of others is another. It is important to be careful about this distinction, for it tells us that very often we lose criteria of how to distinguish the right which is to do right to the people as to what is due to them from the wrong which consists in taking advantage of others without others knowing it or while giving them the misinformation that they are instead being helped.

In modern times, due to complexity and abstractness of situations which are described in concepts many times removed from concrete reality in space and time, it is easier to take advantage of others without others detecting it or until it is too late to see it. This is precisely the case with the secondary mortgage borrowing. Although, on appearance, no hidden clause is not disclosed as the law of disclosure required, the whole system of borrowing could be biased with weights which are to the disadvantage of the borrowers and yet to the advantage of the lending company or the individual lender within a certain specific time period. Of course, the ultimate responsibility for sustaining the credit lies with the government. But there will be already big losses for the innocent public when bad credits finally occur en masse.

In order to prevent interference of the selfish interests or self-interests with the public good or the good of the others, it is important to examine one’s action at any time, especially when one is in solitude. This is called \textit{shendu} 惰独 (Be careful when one is alone). What makes this self-examination important and critical is that we could be subject to outer or inner interference by wrong understanding, wrong reasoning and deceptive or imaginative good wishes with underlying and unconscious or subconscious desire to serve oneself at the expense of others. To be able to critically examine one’s deviation from a fair and just
action, a genuine sincere reflection on one’s motivation is a necessary step. This of course already presupposes the formation of a self-conscientious human self-identity which one may call his or her original body or 体. If one is even not sure of his or her true identity, how could he or she be trusted to have an honest motivation or an ability to distinguish the moral from the immoral or non-moral in one’s action. This problem of establishing one’s genuine identity has not been critically presented until the last Song-Ming Neo-Confucian Liu Jishan (刘蕺山 1578—1645), who sees the ultimate truth of human identity as an ontological will called duti 独体 which can reach for good in its creative effort to hold its own qi 氣 against the influence of the outer qi.

Although in public policy making we may not simply reply on the discerning power of the self-identifying will such as duti, a self-critical process in light of past experience should tell us what direction would lead to right action and good result and under what conditions or limitations there are. An empirical examination is equally important as the critical-reflective one so that we may catch up with what I have called crime and error of ignorance and /or crime and error of greed.

The third principle regarding creative management of the human self is that of reciprocity of feelings and mutuality of help. This is to do with the well-known Confucian silver rule and golden rule of human conduct by using the established oneself as a measure of right and wrong. It is clear that one may desire and do for others what I myself would desire and do for myself. But we have to think of difference between myself and others so that it is better to desire and do for others what I believe or know what others desire or would do for themselves. This of course presupposes knowledge of others and others’ values and desires. Without such knowledge we could merely intend good for others in our action without feeling sure that it is the good that others want for themselves. Even though we may venture our knowledge of others under one condition rather than another, we have to be aware how changes of personal situation and personal wishes of others may change what others may really want. In the financial crisis, it seems important to adopt measures which would render sufficient protection of the public from self-deception by establishing more demanding conditions or by reminding others of the possible difficulties in the future. Granted there is no perfect way of doing this, but a moral consciousness of enforcement of a policy would certainly conduce to a better accountability and self-responsibility which may fore-stalk difficulties which may lie ahead in the future.

As to the rule of not doing to others what one would not want others do to oneself, it would be useful to list a list of what should not be done on the basis of common sense and practical wisdom for public policy making on either political or economic matters. To rely on one single leader’s feeling or intuition is not enough. One has to see that in Confucius it is required of a person or a leader to go through two levels of moral thinking, namely the level of the personal morality founded on reflections of what one desires and what one does not desire, and the level of the public morality which requires rectified concepts based on objective evaluation and a concern with effects for achieving objectively understood duties and rights called “to achieve the right of the people “ (“务民之义“) IX. It is in this sense the principle of universal ren (benevolent care) for people always goes with the principle of doing right according to intelligent understanding, which becomes a focus of Mencius.

Apart from the three central principles of Confucian morality in establishing oneself and managing self, there are many other principles which can be subsumed under the three and thus need not to be elaborated here for our purpose of understating the moral wisdom of the Chinese tradition in meeting problems and crises of human and civilizational development. Of course there is one crucial key for understanding the Confucian moral wisdom and practical reason, namely it is the humanity which is the creative source and resource of problem-solving. Although many problems result from human folly, to seek solution other than humanity is to forget the insight of the Chinese motto that it takes the one who ties a bell to untie the bell. Of course, it may take human reflection, efforts and attention to dig out the truth of any problem and its true solution, but such efforts are worth making and once we have learned the lesson, we should keep it in our collective memory as a lesson so that we may not commit the same crime and mistake again. In creating a world of mutual learning, harmony necessarily becomes the pre-condition
for global solidarity, it will also become a necessary achievement which we can share when we find our solution as an inter-civilizational community in the making.

References

1 Here what I call “civilizational laws” are laws not in the naturalist sense but in positivist sense. In other words they are laws which should and ought to observe but which if we choose not to observe will not force us to observe. But non-observation of these laws will lead to civilizational collapse or inter-civilizational conflicts and clashes. In this regard, these laws are to be seen as moral laws open to our moral choice.

8 What is regarded as a crisis is a trend or situation which contains forces of destruction for maintaining a status quo or for sustaining an essential or important function for the survival of a life form or a life line toward better development. A crisis needs not to be seen as always unwelcome, for a crisis could be engendered by popular wish for creative change or it may have unintended possibilities toward beneficial change with beneficial results.

ii Today we see a similar phenomenon in a contagious flu; one sneezes in one's locality could make the whole globe tremble with imagined cold. This shows how natural reality is such that it is always highly interconnected in one way or another and that it is a dynamic field in which any element or event of the world could be a co-cause for any other event.

1 I used the words “error and crime” to accentuate the fact that an action can be epistemologically an error but ethically a crime, for any such action shows lack of knowledge and thus leads to action which hurts oneself and others and hence is ethically deficient. Both Socratic and Neo-Confucian traditions take lack of knowledge and hence cognitive errors seriously for they would conduce to ethical transgressions. The Buddhist simply attributes all sufferings and crimes to Ignorance which is a primary cognitive error or illusion for taking what is not for what is and one clings to it as an emotional inertia.

7 See the Analects, 1-2.

1 See Zhong Yong. Paragraph 27.

9 See the Analects 7-6

10 Ibid.

See the Analects 6-22