

Virtues and the interested “self” in Confucius and Adam Smith

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Abstract:

This paper examines to which extent Confucius and Adam Smith can be read as virtue-ethicists. The goal of this paper is to show that, despite all differences, the concept of the “self” performs similarly in Smith and Master Kong. Although Confucius condemns the sole pursuit of self-interests, he still accepts that it is the interested self that cultivates itself and behaves according to the rites. Adam Smith highlights the value of virtues as an orientation for the individuals on how to develop their self-interest without harming others, ideally strengthening society. This paper shows that moral self-cultivation is important to both. In questions of philosophical anthropology and ethics, Master Kong and Adam Smith share many convictions. There are however two specific differences between them: First, each developed a social philosophy against a different social, political, and institutional background. Second, while ritual propriety and political leadership are important for Confucius, in Adam Smith, they are addenda. Nothing differentiates the leader from the “gentleman”.

Keywords: Confucius, Adam Smith, virtues, self-interest, roles

For Confucius (551-479 BCE; also: Master Kong, Kongzi; 孔子), a petty person, “xiaoren” (小人), is “the thief of virtues”, “the root of resentment”, and a “source of evil”. When people pursue (solely) self-interest, they leave the path of moral self-cultivation and virtue. The enlightened “junzi” (君子) is a self-cultivated person following a code of behavior determined by benevolence (rén, 仁) and ritual (lǐ, 禮), fulfilling one or different roles in society. Adam Smith (1723-1790), on the other hand, has a much more sympathetic view of self-interest. This is because he associates virtues with self-interest and differentiates between self-interest and selfishness. In “The Wealth of Nations” (WN, 1776) and “The Theory of Moral Sentiments” (TMS, 1759), he argues for a specific sort of self-interest that, in association with other “moral sentiments”, makes people willing to follow higher ethical standards. At first sight, Confucius and Adam Smith seem to be irreconcilable.

However, this paper explores the similarities in the thoughts of Confucius and Smith. It focuses on the idea of the “self” as an element in both philosophers’ ethics, pointing out that the self performs similar functions in their respective thought. This reading is based on an understanding of Master Kong and Smith as virtue-ethicists. On the other hand, this reading identifies an important differentiator between Master Kong and Smith, even if both are understood as virtue-ethicists: ritual.

The goal of this paper is to uncover similarities in the function of the “self” against all the differences between Master Kong and Smith. Exploring these similarities is important, because it shows, on the one hand, that Smith’s self is not egoistical if nurtured in a proper way and, on the other hand, that Kong’s self is interested in itself, too. In both philosophies, the self performs a practical and epistemic function. Thus far, this aspect has been under-valued in the comparison of these philosophers. This paper will conclude by showing that while Smith’s “gentleman” is not a Confucian “junzi”, the concept is still very far away from a “xiaoren”.

This paper will begin characterizing Confucius’ philosophy, will then describe Adam Smith’s, and will finally conclude by elaborating what unites them but also what the specific differences between both philosophers are. This paper will go back to the texts of Adam Smith and the *Analects* attributed to Master Kong.

Virtue and Self-interest in Confucius

Confucius was more than a philosopher; he was also a statesman. His philosophy envisaged unifying ethics, actions, and statecraft in a holistic body. If people cultivate their selves, they will develop virtuosity that will enable them to perform their roles in society and will lead to a good society. The idea of leading a good life and creating a good society is essential to Confucius. His aim was to overcome the chaos of his time and to restore order (Li 2013).

Confucius was a social reformer. This becomes more understandable against the background of his time: the Chinese states were in a dire situation, wars were the norm, hunger was not uncommon, clannism, corruption, self-indulging rulers and ministers lost in selfishness and palace intrigues were day-to-day situations. Many different ideas of social reform emerged in this context. Some wanted a more spiritual life, others detachment from that saddening reality, yet other groups concentrated on realism for reforming statecraft. Master Kong took a different way (Chin 2007).

Confucius believed that the basis for reform of the state(s) and of society lay in the ancient times of Zhou (1050-771 BCE), in its virtues and rituals. He interpreted the former not as religious or esoteric sacrifices, asking for the blessings of spirits, but as ceremonies performed by human agents and embodying the civilized and cultured patterns of behavior developed through generations of human wisdom. For him, they embodied the ethical core of (Chinese) society. Moreover, Confucius applied the term ritual to actions beyond the formal sacrifices and religious ceremonies to include social rituals: courtesies and accepted standards of behavior. At the same time, he did not want people just to perform rituals. He stressed the character of the person’s motivation: In order to be fully virtuous, a person must follow the rituals for the right reasons, from an understanding and acceptance of how they contribute to human flourishing. Master Kong’s reform goal was bottom-up. By reforming people, especially the ruling elite, Kong wanted to reform society and the state (see also Wilson 2002).

How do virtues and rites interrelate? In the *Analects*, there is no definite catalogue of virtues. From the onset, it is evident that Master Kong prefers benevolence, integrity, righteousness, filial piety, and the rituals as such, with a virtue relating to them, ritual propriety. Much later, in Han (206 BC - 220), institutional Confucianism systemized the wǔ cháng – sì zì (五常- 四字, five constants, four elements). The five constants are rén (仁, benevolence, humaneness), yì (義, righteousness or justice), lǐ (禮, ritual propriety), zhì (智, knowledge), and xìn (信, integrity). And the four elements are zhōng (忠, loyalty), xiào (孝, filial piety), jié (節, contingency), and yì (義, righteousness). There are still many other elements, such as chéng (誠, honesty), shù (恕, kindness and forgiveness), lián (

廉, honesty and cleanness), chǐ (恥, shame, judgement and sense of right and wrong), yǒng (勇, bravery), wēn (溫, kind and gentle), liáng (良, good, kindhearted), gōng (恭, respectful, reverent), jiǎn (儉, frugal), and ràng (讓, modestly, self-effacing) (see Hu 1929). The rites transform people into good members of society (Eno 1990), members who know how to behave and how to play a respective role. Li (2007) calls the rites a “common grammar for everyday situations”.

While this system might not be original to the *Analects*, the virtues enumerated above are all present in Master Kong’s teachings. Even if they are not systematized by the Master in such a way, the Han-era list, according to Eno (1990) and Li (2007), depicts what is important to Confucius and, at the same time, revolutionary in his philosophy. These character traits, or virtues, are not exclusive to some people, neither are they natural to all humans. Rather, they have to be discovered and nurtured by each person. The cultivation of these virtues strengthens the moral character of a person. By expanding the possibility of moral self-cultivation to all, Kong is at the same time claiming that virtues, rites, and roles are not the privilege of the elite.

By stressing that the ancient sage-kings were “normal” people, Confucius asserts three factors. First, he does not dismiss the possibility of self-cultivation being open to all people. Second, he makes a strong claim about human nature. Because the ancient sages were “normal” people, because they succeeded in self-cultivation, and because they should be emulated, what follows is that all people share the predisposition of moral self-cultivation. And third, Confucius admits that his concepts of human nature and the morally self-cultivated being are tied to a thick understanding of human nature itself. The sage-kings of the past are not only examples to emulate but also represent human nature.

As the *Analects* state in IV, 23, “Virtue is not left to stand alone. He who practices it will have neighbors”, i.e. virtue is by definition a relational propriety and belongs therefore to the realm of acting in society. People are never detached from society, according to the philosophy of Confucius, and that is why the roles are important. Cultivating the virtues and rituals are not only central because they turn people into civilized people but especially because they enable people to perform their respective roles in society. There are five typical role-pairs: ruler to ruled, father to son, husband to wife, elder brother to younger brother, friend to friend. Specific duties are applicable to each of the participants in these sets of relationships and the characteristics of these relationships can be expanded by analogy to practically all types of social interactions (Hwang 2000). Virtues and rites enable people to be role-bearers and act ethically.

Hansen (2000) explains the broad context of person, virtue, role, and the cultivation of the self, “To Confucius, an isolated individual means that some disaster has occurred; the natural, healthy state of humans is in social structures (60).” And what is a social structure? “Society consists of a ritual structure, of a system of roles. Society is the sum of its roles not the sum of its individuals (62).” Performing the roles leads to having and gaining merit. But merit is not completely or mainly a given, it is something that has to be developed by the “junzi”. “He (Confucius) stressed that we appoint by merit based on ‘de’. Merit does run in families but is presumably the result of nurture not nature (63).” Moral self-cultivation has, therefore, two dimensions. First, it is the internal-sided development of rationality and sentiments. And second, this development always happens in the context of the roles one plays in society.

In short, virtues are the necessary but not sufficient intensional aspect of behavior. Following the rites (out of good motives, which in turn, is a virtue) is also necessary but not sufficient extensional aspect. Both come together and are made complete in the sufficient aspect of Confucian

philosophy, which is performing the role(s) that is partly socially, partly naturally, and partly context-dependently bestowed upon the self. The cultivation of the self brings these aspects into balance. Of course, this characterization only applies to the intensional and extensional aspects of morality. Master Kong, since he was also developing a practical philosophy, also regarded other necessary aspects such as education, abilities, knowledge – which fall outside the scope of this paper – that focus on the investigation of the ethical part of the argument. All these aspects are brought together by self-cultivation.

What is, now, the basic difference between the “junzi” and the “xiaoren”? In the *Analects*, Master Kong presents different juxtapositions of them; for example: “While the “junzi” cherishes respect for the law, the small man cherishes generous treatment (IV. 11).” “The “junzi” understands what is moral. The small man understands what is profitable (IV. 16).” “The “junzi” is easy of mind, while the small man is always full of anxiety (VII. 91).” “The “junzi” helps others to realize what is good in them; he does not help them to realize what is bad in them. The small man does the opposite (XII. 16).” “The “junzi” agrees with others without being an echo. The small man echoes without being in agreement (XIII. 23).” “The “junzi” is at ease without being arrogant; the small man is arrogant without being at ease (XII 26).” “The “junzi” gets through to what is up above; the small man gets through to what is down below (XIV. 128).” “What a “junzi” seeks, he seeks within himself; what a small man seeks, he seeks in others (XV.21).”

These thoughts not only denote that the “junzi” and the “xiaoren” are fundamentally different; they also show how each is preoccupied with different aspects. While the “junzi” has the action, with its outcomes and its motivations in mind, the “xiaoren” only cares about the outcomes that are directly pertinent to him or her. The “junzi” has more developed rational capabilities – the “junzi” questions others, seeks and has knowledge, is self-critical –, cultivates sentiments – the “junzi” is calm, harmonious, respectful –, and is capable of acting on the grounds of this combination of rationality and sentiments. The “xiaoren”, on the other hand, is neither fully rational (at least in a sense of objective rationality understood as pursuing what is desirable in the long term) nor has developed sentiments. Therefore, the “xiaoren” acts not on the basis of a framework of reference but on basal instincts directed at envisaging specific outcomes.

While petty people understand the world only in relation to their own wants and needs (i.e. they are self-centered), the “junzi” understands his role in a set of social interrelations. While the only question that the “xiaoren” are capable of asking is “how will this affect me”, the “junzi” possess both the desire and the ability to see the entire context in which they are situated. The “junzi” can see a community, a family, a state as a living organism with multiple, conflicting, and equally valid wants and needs. The great strength of the “junzi” is the ability to make decisions for the sake of the entire social organism. For this reason, “junzi” should lead others (Kim 2009).

Chow (2011) thinks that while the “xiaoren” are the common people, i.e. the masses, the “junzi” are the leaders (implying that they necessarily come out of nobility). Chow comes very close to saying that these elite are a stratum of society set apart from society. This might be the closest reading of the “junzi” in the *Analects*. There might be two reasons explaining this idea in the *Analects*. First, since Kong was writing as a statesman, he was targeting statesmen of his time. He wanted to show them what a person in the public realm has to do in order to become an extraordinary leader. Second and more philosophically, while everyone can become virtuous, can follow the rites, and can perform roles, Confucius wanted to make it clear that becoming a “junzi”

is a necessary moral goal for every member of the nobility, since only the “junzi” would be able to lead the community and the public affairs.

So, the virtuous and especially the “junzi” are those who know how to behave in society, i.e. what roles to play and how to play them. Virtuous people and the “junzi” decide which course of action to take in regard to the roles involved in the making of a decision and the effects the decision has. Furthermore, the virtuous and the “junzi” nurture those feelings and virtues that make it more possible for them to play the roles they have – but not only that, they also acquire their education, abilities, and knowledge while keeping their roles in mind. Because the virtuous and the “junzi” not only see beyond their self-interest but primarily focus on roles in society, the virtuous and especially the “junzi” are exemplary and able to lead (Ivanhoe 2000).

Does this all entail that the virtuous and the “junzi” have no self-interest? Master Kong despises those that act selfishly and out of self-interest alone. However, Confucius acknowledges the worth of the self. In *Analects* II, 12, he states, “The junzi is not a utensil.” This can be read as the “junzi” never being a means to an end but a presence, a person, something bearing self-worth. This presence has intrinsic worth, and this value is not only valid because of the role but because the “junzi” as such is able to perform his role. As such, the “junzi” knows of his worth. The “junzi” has an interest in progressing towards an ethically complete person. However, this implies some self-interest on the side of the “junzi”. In addition, people having specific characters, and character being something different from a role, is also acknowledged in *Analects* II, 10: “See what a man does. Mark his motives. Examine in what things he rests. How can a man conceal his character? How can a man conceal his character?”

The motives individuals have when acting are important in Kong’s thinking. He does not want plain adherence to the rites. He does not want plain performance. He wants the person to think, examine the world, and adhere to the role this person is supposed to play, concluding that it is the right thing to do. Master Kong wants good performance for the right reasons. This process that goes beyond just doing what one is supposed to do relies on self-interest interpreted as the interested self, thinking about her or his own motives to act. The self that is interested in analyzing her or his own virtues, role-performance, and character is a self-interested self; a self that has interest in the self. Confucius seems to presuppose this epistemic version of self-interest, since without an interest in the self, the self cannot cultivate the self.

Confucian self-interest might go even further. In *Analects* IV, 12, it says, “He who acts with a constant view to his own advantage will be much murmured against.” The problem here does not seem to be the person acting out of self-interest but only out of selfishness. The person that is interested in the self does not necessarily consider the self the only or central focus of attention. On the contrary, a critical reflection of the self is a facet of self-interest. The self-cultivating person must have an interest in the self. Contrast this with the selfish person, who only is interested in the self and only acts because of the self. The effect is not even that pure selfishness is per se blameworthy but that the relational conditions of the agent will be affected and will affect him or her negatively. In fact, this saying is an appeal to the self-interest of agents not to act selfishly, because selfishness is detrimental to the long-run self-interests of the agent. Similarly, the Confucian virtuous and the “junzi” are not other-worldly entities but have a fully developed psychology, including needs, pleasures, and sadness. In *Analects* VI, 23, Master Kong is clear about the wise and virtuous pursuing their self-interest: The Master said, “The wise find pleasure in water; the virtuous find pleasure in hills. The wise are active; the virtuous are tranquil. The wise are joyful; the virtuous are long-lived.”

In Master Kong's thinking, through self-cultivation, all – or at least most – people could become virtuous and some even “junzi”. The interested self could even be the argument that allows him or her to be optimistic. If all, the “junzi”, virtuous people and the “xiaoren” share some sort of self-interest, what differentiates them is the horizon of self-interest. The self-interest of the “xiaoren” is directed only to attaining objects for the self without any recognition of a necessary relation of the self to other selves. Master Kong, however, thinks that the roles people have to play might provide objective guidance, including to the “xiaoren”. The virtuous or the “junzi” could argue with the “xiaoren” that reducing self-interest to egoism makes the self worse off. Instead, extending self-interest to include the necessary relation of the self to the community would make the self better off. In this case, it would be in the interest of the self to expand the horizons of self-interest. Recognizing the error of egoism is in the self-interest of the person.

In summary, Kong's philosophy wanted to reform society by reforming people first. It was based on virtues and ritual propriety, because the first enables an ethical mindset and the second makes it possible to behave ethically. Both – and all virtues – join the inner aspect, motivation, with the outer aspect, action. They – together with a person's education, abilities, and knowledge – enable people to perform roles in a community. All these aspects must be nurtured through self-cultivation. Those who succeed in the cultivation of their selves, the virtuous and the “junzi”, can also lead people. Self-cultivation, however, does not entail the negation of the self. Quite the contrary. The self-that self-cultivates needs at least an epistemic self-interest. So, it is possible to reconcile virtues, rites, roles, and self-cultivation with the advancement of self-interested goals.

Virtue and Self-Interest in Adam Smith

Adam Smith, too, was a social reformer. His definition of the good life has three components, the eradication of poverty, moral cultivation of the self, and social immersion of the self. Like Master Kong, Smith never separated people from the organization of society. But unlike the Chinese Master, Smith embraced the advantages of his commercial, proto-industrial time using some of its merits as groundwork of political, social, and ethic philosophy. One of the merits on which he relies is the virtues, which he sees as constitutive in such a “merchant society” (Muller 1993).

In the TMS, Smith states that the “gentleman” acts according to the “rules of perfect prudence, of strict justice, and of proper benevolence” (TMS, X, 1). This formulation seems convoluted. Smith seems to appeal to a rule. Yet he does not. In the length of the TMS and the WN, it becomes clear that, for Smith, it is the virtues of prudence, justice, and love as well as courage and temperance that are essential to the “gentleman”. Virtues are crucial for Smith's ethics and philosophy of action, since he believed that people behave on character traits and depending on the context. The context, albeit a given, has a constitutive and normative character. Behaving in a certain context does not mean that the agent self judges the context alone but calculates how a particular course of action might meet approval or disapproval from peers. The agent self, through prudence, strikes a balance between interests and alternate courses of action. This will be developed in this section.

Smith establishes that acting on virtues has an internal and external component. The internal component is discussed when Smith elaborates the virtue of prudence – “the character of the individual in its bearing on his own happiness” – in the TMS (VI, 1) and in the entire WN. It is not that only prudence has an internal component, but Smith chooses it for clarifying how this component works. According to him, there are three different mechanisms at the same time. First,

the interest of the concerned person, be this an interest for the self, for the immediate relatives, or for the other person. Second, there is a set of moral sentiments telling people what to do under a certain circumstance. And third, there is the "impartial spectator", which will be discussed below. Furthermore, when Smith refers to the individual, he also means the social context of that individual, especially her or his family and friendships.

The external component is regarded when he inquires about benevolence – "the character of the individual in its bearing on the happiness of other people" – in the TMS, VI, 2, which he takes to comprise the virtues of justice and love, or what he calls "beneficence". Benevolence, for Smith, is a virtue that enables the self to develop empathy – in his words: sympathy – towards other selves and recognize that they all belong to the same community. Being benevolent, in Smith's terms, is asking how one impacts other people's life and the community's life. While benevolence, as a virtue, addresses the internal, intensional aspect for dealing with external, extensional side, Smith develops the "impartial spectator". It makes consequences of one's action clear. In a relationship, if there are intensional virtues and an extensional "impartial spectator", then self-command is what brings them together in human action (TMS VI, 3). Self-command itself requires the acting self to use the virtues of prudence and benevolence (love and justice) as well as the virtues of temperance and courage. In a conclusion of that part of the TMS (VI, 4), Smith states: "Concern for our own happiness recommends to us the virtue of (1) prudence; concern for the happiness of other people recommends to us the virtues of (2) justice, which restrains us from harming their happiness, and (3) beneficence, which prompts us to promote it."

Smith begins to stress the impartiality of the spectator only when he comes to theorize about the effect of the reactions of spectators on the agent. Smith's spectator is first called impartial in the chapter that distinguishes between the amiable and the respectable virtues, the virtues of humanity on the one hand, and self-command on the other. Humanity is a more-than-average degree of sympathetic feeling and is the result of an effort by the spectator to heighten his or her sympathy in order to match the experience of the person principally concerned. Self-command is conversely a virtue of the "person principally concerned" and is the result of an endeavor to restrain natural emotion and to lower its pitch to that which the ordinary spectator feels through sympathy.

Empathy, or sympathy, keeps people in their own orbit and in harmony with others (general theory of morality paralleling Newton's general theory of physics). Sympathy occurs through the objective part of man that Smith calls the impartial spectator. Sympathy is an emotion, a moral sentiment, that is made objective, or at least intersubjective, by the impartial spectator and by rationality. Whereas one person can judge one agent, how is the person to account for his/her own action? The agent has to "divide" himself into two: an agent in its proper sense and a supposed spectator, which is called impartial, since it is the self-judging part. Impartiality, however, does not rule out sympathy. It is indeed sympathy that allows us to judge as an impartial spectator, since this is a common feature of all members of the community. By using the impartial spectator to examine one's own and others' actions, a person separates him or herself into two: the examiner and the examined.

The impartial spectator is the operationalization of the moral "senses" of approval and disapproval. The topic of sympathy is brought up in the TMS I, 1. Sympathy is an aspect of the "sense" of propriety, and propriety entails how to properly behave. Behaving properly means behaving in such a way that meets approval from one's peer; and therefore, behaving improperly meets with disapproval. In the TMS II, 1, Smith discusses that sympathy is related to the senses of

approval and disapproval, but it is not the same thing as these senses. In fact, approval and disapproval are reflections upon and judgments about the level of sympathy people feel with one another. Sympathy and propriety stand therefore as a double link to each other. In the WN, Smith returns to this relationship, treating it as a series of balances in judgement. These balances are guided by the virtue of “prudence”.

For Smith, being a “gentleman” is acting properly in a social context. It might be an overstatement claiming that the Smithian self is essentially a relational self, but the self surely is always in a social context. This context is not defined by roles, as in Master Kong’s approach, but by relationships of empathy. Behaving as a “gentleman” essentially means taking society seriously and measuring one’s actions by the social effects of that action and by the degree of approval or disapproval by the peers of the acting self. How, then, can the acting self be a self-interested agent? The simplest answer, in a Smithian sense, is: being a “gentleman” depends on how the person handles self-interest.

In “The Wealth of Nations”, there is a famous quote in which self-interest is pictured as the center of one’s action. “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self-interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages (WN, I, 2, 2).” How can this idea be interpreted in the light of what was said above?

Note first, that the claim is not normative but descriptive. Smith is not saying that agents should or have to act self-interestedly but only saying that, in that particular context, the agents pursue self-interest. Second, there is no claim that economic agents act purely based on their self-love. They are self-interested but not selfish. It is quite the contrary. In the cases exemplified in the quote above, all parties are interested in exchange, because exchange corresponds to the way to act in that specific context and is met by approval by all participating. Third, Smith is making a point about the necessary conditions for market exchanges to take place; after all, it is the chapter addressing the division of labor. Among these conditions there is the self-interested nature of a baker in being a baker and not a butcher. Self-interest here refers to “the self” being interested in her or his own interests or talents in order to find out which profession one wants to take up. The discussion about profession and talents takes place in the exact same chapter (WN, I, 2, 5). Much as Master Kong discusses the education, abilities, and knowledge of agents – not always in the moral context but guided by moral self-cultivation – Smith discusses the same here but let it be guided by self-command and the impartial spectator, too.

The WN is an application of the virtue of prudence; even the self-interest depicted above is not free from other applications of that same virtue. There is the self-interest of the baker to produce and sell bakeware and not to give them away. But why? It is not only out of selfishness but also in regard to other duties the baker has to perform such as caring for his family and paying taxes (WN, IV, 2). After all, the baker acts prudently; part of this prudence is to provide for others and for oneself in order to be able to play an active role in society. Taking care of one’s self, one’s family, but also one’s duty towards other institutions are tasks that demand prudence.

Because of this, there is an even wider-ranging concern in the WN. The claim of self-interest goes as far as to say that every person is worth something and that it is legitimate to see one’s life not just as a means to an end. Self-interest enables the person to think for her and himself and not just to subordinate under the commands of landowners, aristocracy, or the church. Smith was writing for merchants, but he didn’t even want their servants to be subordinates, but rather to show self-interest

and self-command. This also explains why Adam Smith devoted several chapters of the WN (e.g. III; IV, 3; IV, 5) to inquiring about inequality, thinking that free exchange decreases inequality between people.

The WN also serves to lay out the design of an ideal society (WN IV). This is shaped by free exchanges in free markets because of two reasons. First, markets contribute in eradicating poverty, and poverty is a massive impediment in the establishment of an ethical society. Second, free exchange in free markets is an important equalizer. It is in this freedom that every person can act prudently and benevolently if in possession of sufficient self-command. And so, self-interest for Adam Smith is, in its positive sense, always a function of prudence and always applied in combination with benevolence guided by self-command. Prudence, on the other hand, resembles Kong's virtues of filial piety and justice as well as his preference for partial care of one's own family. On the other hand, Smithian goes beyond the reading proposed above of Confucius by taking self-interest as an epistemic criterion. For Smith, self-interest – not selfishness – is part of at least one virtue.

How, then, can one be sure that the self-interested person acting on the virtue of prudence does not degenerate and become an egoist? In this reading, Smith's answer is twofold. First, one does not act on one virtue alone. It is always prudence, justice, love, courage, and temperance that belong to the strength of character of the person, and a constant cultivation of these is necessary. The second answer is that performing one's actions is always a relational matter. One's actions must be seen in the context of itself, its motivations, and its outcomes, including its impacts on society.

In "The Wealth of Nations", Smith is clear that any exchange, even one guided by prudence, needs an institutional setting as well as trust. Trust, on the other hand, develops on the basis of empathic mindsets, and those are by necessary relational terms. And even the appeal to the self-interest of the economic agent is a relational contention. Smith thinks that no society can be flourishing, moral, and happy when the greater parts of its members are poor and miserable. In order to escape poverty, members of society are urged to find out what they can do better than others, and the epistemic tool by which they find it out is self-interest. So, self-interest is an epistemic postulate and not a moral norm for Adam Smith. The epistemic postulate serves in finding out a place in the economic value chain or, to put it in Confucian terms, a role. The moral dimensions of acting according to virtues and the impartial spectator turn the self-interested person into a moral being, a gentleman. For Smith, there is no market and no society without social empathy. In the TMS, he states: "No matter how selfish you think man is, it's obvious that there are some principles in his nature that give him an interest in the welfare of others, and make their happiness necessary to him, even if he gets nothing from it but the pleasure of seeing it (I, 1, 1)."

It seems that Adam Smith knows that the self-interested individual, even if guided by a self-interested virtue, like prudence, is still incomplete. While self-interest is prudence's pre-requisite, it alone cannot guide the actions of people. Surely, according to the TMS, prudence establishes that an individual upholds certain relationships, is trustworthy, loyal, and even filial. But on the other hand, the individual does not transcend the self when acting purely on prudence. The "gentleman" knows how to act on prudence combined with love and justice intermediated by self-command, which is the combination of courage and temperance. He or she knows that not only because she or he has some moral inclinations of doing so, but because she or he learned how to act on the virtues by self-control. Self-control is the constant nurturing of the virtues in which a "gentleman" has to act.

In summary, Smith's philosophy is based on five virtues: prudence, love, justice (these two grouped in benevolence), temperance, and courage (these two grouped in self-command). These virtues are not valid on their own. They also have a relational character, since every action has an inner aspect shaped by virtues and an outer aspect shaped and measured by the "impartial spectator". If people do not necessarily play roles, they always interact in society. The Smithian self is interested in her or himself, but the "gentleman" maintains this interest as epistemic guidance. Smithian self-interest encompasses caring for one's family and friends and is meant also as a motivator for equality. So are many of the institutions he had in mind, geared at making it possible for people to interact as equals. Self-command is the way people reconcile the virtues they act upon with society and the "impartial spectator". Self-command needs a constant cultivation of the self. The "gentleman" is the person that masters self-command and, therefore, combines virtues in social relations.

The Self and the Virtuous

This last section discusses the similarities and differences between both philosophers. It will establish that while the Smithian "gentleman" is no Confucian "junzi" – lacking ritual propriety and the moral task to lead other people – the "gentleman" isn't automatically a "xiaoren" either. The Smithian gentleman can be Confucian "virtuous". In both cases, it is a question of how to nurture the interested self.

It is easy to recollect what unites both philosophers: In Adam Smith, as well as in Confucius, there are moral agents acting on virtues and always in a relational – social – context. These moral agents strive (or should strive) to become "gentlemen", or "virtuous", or "junzi" through self-command or self-cultivation. These agents are not only moral agents. They have other resources, too, for example education, abilities, and knowledge – but these practical resources also have to be nurtured and managed by self-cultivation and self-command. In both philosophies, the ideal society can only be achieved if a reasonable amount of people strive and succeed in becoming "gentlemen", or "virtuous", or "junzi". In Smith's case, this ideal society is economically prosperous; in Kong, it is a well-ordered state. This different focus is influenced by the particular problems each's society was facing. Smith wanted to eradicate poverty in a novel type of society, and Master Kong wanted to institute order modeled on past experience.

In Adam Smith, as well as in Confucius, self-interest and the virtues play an important role, albeit not the same. The Smithian "gentleman" needs to be self-interested in order to act on the virtue of prudence. However, the "gentleman" needs to act on justice and love, too, which is achieved by using the "impartial spectator". Training one's self in acting on prudence as well as on benevolence – guided by self-command – is also part of the Smithian program. For Confucius, on the other hand, virtues, rites, and roles define the moral actions of the self. The "virtuous" and the "junzi" cultivate their own self in order to be able to play their roles. However, with the "virtuous" and the "junzi" having to cultivate the self, an interested self is presupposed. This interested self has the self-interest necessary to recognize the virtues and relationships and act on them. In particular, it has enough interest in the self to cultivate it. In Adam Smith, the self-interested agent is a given. Self-interest, if guided by the virtues, enables the self to recognize what to do but also, and even more importantly, the social desiderata of the self's action. In Confucius, the role of self-interest is a different one. It is primarily an epistemic criterion by which the self discerns how to self-cultivate.

There are however important differences between Adam Smith and Master Kong. These differences occur at several different levels.

The first is the level of virtue itself. Adam Smith has a conception of virtue grounded in a general notion of human nature that focuses on aspects of human psychology. His conception describes the virtues in terms of dispositions conducive to smooth, agreeable, and beneficial interactions between individuals within and between different societies. In his view, virtue-ethics is the exploration of general emotional resources, tendencies, and capacities. Master Kong, on the other hand, has a different conception of virtue. It is grounded in a comprehensive and detailed notion of human nature that seeks to describe the content, structure, and overall shape of human nature. It is developed in terms of a teleological view about the cultivation of human nature expressed in an ideal or paradigmatic model of what it is to be human, specifically, modeled against the background of the sage-kings. Confucius – and Confucianism generally – seeks to provide an account of human nature that describes its content, structure, and shape. Virtues are part of this account – together with roles, rites, knowledge, etc. One consequence of this difference is that for Smith the virtues are more expressions of features of human psychology within the confines of particular social conditions. For example, instead of describing and holding up the man of practical wisdom as the ideal standard for the good and the aim of every human life, Smith describes what people must be like in order to form and maintain a humane and cooperative society and interact with other societies around the world in an agreeable and beneficial manner. For Smith, the virtues are practical expressions of what is needed to live well in particular social conditions; human nature serves as a resource for crafting the best kind of life. Confucius' idea has a firm but general psychological foundation, not a specific trajectory or goal. Confucius idea of virtue is not context-sensitive, but generally valid and if dependent on anything, then on the role a person performs.

The second level is about how widespread virtue is. While both philosophers seem to abhor ruffians and the “xiaoren”, they do so for distinct reasons. Adam Smith believes that those ruffians have the epistemic capabilities associated with self-interest and can even acknowledge virtue; however, they do not act on it. Kong, on the other hand, seems to think that the “xiaoren” lack the epistemic capabilities as well as virtues, since they act on instincts. Later, Confucians then expand the Master's view and accept that proper education and even acting on instincts could develop the necessary capabilities to attain merit (Kim 2004).

The third difference is in the way the interested self uses self-interest. The Smithian “gentleman” has a solid sense of society. At all times, however, the “gentleman” has his own interests in mind, too. Even when putting society first, the “gentleman” is acting on his own interest, since putting society first means seeking the approval of the self's actions by society. The Confucian “virtuous” and the “junzi”, on the other hand, use self-interest in order to comply with the rites and understand virtues as well as to act on them. The status of self-interest is thus different. For Smith, it is an epistemic category that permeates the virtue of prudence. For Master Kong, it is just the epistemic category.

Fourth, there are also differences between Master Kong and Adam Smith on the extensional aspects of action. For Confucius, the rites are essential for performing roles. The relationship of virtues, rites, and roles seems to create an objective framework on how people should act. In Smith's thought, however, there does not seem to be such a framework. Guided by virtues and the impartial spectator, the self devises courses of action and acts, but all these seem to be contingent on the specific context and the specific social desiderata associated with the context. In the TMS, Smith acknowledges the importance of etiquette. However, for him, etiquette is not ethically constitutive of the “gentleman”. In Master Kong, ritual propriety means more than just adhering to etiquette. It

means attaching ethical value to it. The “junzi” is always rén (仁) and lǐ (禮), because the roles themselves are shared ritual performances. This dimension is absent in Adam Smith.

Fifth, the Smithian gentleman has no necessary political role to play. When engaged in the public sphere, the gentleman will use the same virtues and self-command that allow him to be successful and ethical in other transactions. There is no special “calling” for public agency associated with the “gentleman”. In fact, that itself is part of the novel social model sponsored by Smith: the same “gentleman” that is successful and ethical in other exchanges can engage in politics. Smith’s is a bourgeois social model. Master Kong, on the other hand, associated a special calling to the “junzi”: the “junzi” was called to lead through superior ethics. This is also absent in Smith.

In addition to these discussions and on a different level, two further similarities of Smith and Confucius arise – but these similarities impose problems. Both seem to think that all members of society share the same values. Furthermore, both might presuppose that all agents share the same epistemic structures. In the Confucian case, these two (hidden) assumptions might be, after all, plausible. Since Kong accepted the natural structure of the dào (way, 道), the “tiān” (heaven, 天), and the order of things, what follows logically is that this natural order transposes to the social order and to the structures of thought of agents. For Smith, the situation is more difficult, since he does not seem to make an explicit commitment towards a natural order or a metaphysical grounding.

In reality, there are two groups of problems with Adam Smith’s theory of virtue. The first is: Smith refers to two principles that he deems necessary conditions for human society. He presupposes that all members of the community share the same values. Also, he equally presupposes that they train themselves to adhere to these values, i.e. he imagines all members of society cultivating common values. The argument in which morality is a means of self-control rests largely on Smith’s notion of self-command as an essential precondition for human society.

To the first problem in more detail: Smith believes that to judge whether a motive or feeling is warranted or proper, we must take up, not some external perspective, but that of the person who has the motive or feeling – the agent’s standpoint, in the case of motivation; the patient’s standpoint, in the case of feeling (TMS, 16-23). Of course, Smith does believe that impartiality regulates moral judgment. However, it does so by disciplining the way in which we enter into the agent’s or patient’s point of view, not by providing its own perspective. Moral judgment involves an impartial projection into the agent’s or patient’s standpoint. “We imaginatively project, not us ourselves, but impartially, any one of us (TMS, 82, 137-38)”. The judgment that the agent’s motive or the patient’s feeling is proper involves what Smith calls “sympathy”: an imaginative sharing of the agent’s motive or the patient’s feeling from his point of view (TMS, i). Thus, Smith’s view makes all moral judgment deeply and individually related – either agent-relative or patient-relative or both (as in the case of justice). When one judges an agent’s motive, one does so from the agent’s own perspective (appropriately regulated), viewing the practical situation as one imagines it to confront him or her in deliberation. And when one judges someone’s feeling or reaction, one does so from a patient-relative point of view, viewing the situation as one imagines it to confront the patient who responds to it.

And to the second problem in more detail: Smith considers social harmony not just to be a product of individuals using the impartial spectator but a precondition for its application, since overall values and “moralities” are supposed to be something shared by all of society. In a context in which each has different sentiments, the impartial spectator would lead not to social desiderata but

only to the rationalization of individual value judgment. Smith aims at self-cultivation and, thereby, at the inculcation of common sentiments that enable virtue.

Returning to the main line of this paper: Confucius and Smith share a great deal of philosophical anthropology and ethical thinking. While there is nuance between them in terms of the use of self-interest – how far does the interested self-use self-interest – and disagreement on the question of ritual and leadership, there is another factor that makes their respective philosophies as different as they seem: their context. Each philosopher was facing a completely different historical and institutional environment. Therefore, each had different goals. Master Kong was restoring order by looking back at periods of greatness. Smith was eradicating poverty and creating a good society by devising a novel social model. Master Kong's past greatness was a society determined by rituals and roles. His ethical thinking was that it is not only sufficient to do the right thing, it is necessary to do them for the right reasons, the right reasons being virtues. Smith's novel social model was based on free transactional interactions. In order for these to work, people would have to be committed to each other, establishing a relationship of trust. This can be done through nourishment of virtues, self-command, and the constant balance in the light of the social approval of one's actions. So, the similar philosophical anthropology and ethics applied to different institutional realms result in different models for society.

This paper analyzed similarities and differences in the social philosophy of Confucius and Adam Smith. While both share a disregard for petty people and esteem the noble person as the cornerstone of society, each does it differently. In particular, both have different – but not contradictory – definitions of what makes an exemplary person. They agree that virtues are pivotal for acting and that virtues (always) have a relational character. Yet most importantly, both agree that the acting self has interests and that self-interest is practically and epistemically important. They disagree in the precise way self-interest is involved in action.

The Smithian "gentleman" acts on virtues, has the action, its motivation, and its results relative to the whole society in mind. This guarantees that he is not a "xiaoren". But, on the other hand, self-interest guides the "gentleman's" application of virtue, lacking ritual propriety and the performance of a public task. Therefore, the "gentleman" might be "virtuous" but is no "junzi".

It is in reading Confucius and Adam Smith as virtue-ethicists that it becomes apparent that not only virtue matter for them – the interested self matters, too.

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