

## The Myth of Chinese and European Identities in Business History

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**Abstract:** The rise of the West from the 18th to the 20th century has, so far, been the focus of attention of conventional international historiography. But in the very near future, the main object of historical scholarship may be how to explain the rise of China and its neighbors in the 21st century. Other perspectives and historical facts will most probably come to the forefront. How we interpret preceding centuries depends on the nature of what needs to be explained. Meanwhile a Eurocentric approach to world history continues to dominate conventional international historiography. Considering the scale of globalization today, should there not be a more balanced approach to world history?

**Keywords:** comparative history, comparative business culture, intercultural communication, European history, Chinese history, Buddhism, Confucianism

### Introduction

The rise of the West from the 18<sup>th</sup> to the 20<sup>th</sup> century has, so far, been the focus of attention of conventional international historiography. But in the very near future, the main object of historical scholarship may be how to explain the rise of China and its neighbors in the 21<sup>st</sup> century. Other perspectives and historical facts will most probably come to the forefront. How we interpret preceding centuries depends on the nature of what needs to be explained. Meanwhile, a Eurocentric approach to world history continues to dominate conventional international historiography. Considering the scale of globalization today, should there not be a more balanced approach to world history?

Teaching history has become a very sensitive issue that most West-Europeans and North Americans are hardly aware of. An example of this is how globalization is presented. Both pro-globalists and anti-globalists like to present globalization as a “Western” phenomenon. Anti-globalists include it in their argument that everything that originates (and originated) in the so-called “West” is bad, while pro-globalists maintain that Western values and products are universal and that there are no substitutes. In doing so, they both assume that there is, indeed, a concept like the “West” that can be identified, defined, and described. Hardly any specialist on globalization has ever tried to do so, but that did not seem to bother them. A recurrent argument is that there is an Asiatic, often Chinese, alternative, which proves that the “West” actually exists. What is not considered is the possibility that many movements against West-European or American globalization actually derive from the continuous claim that principles considered as universal, like scientific and rational thought, economic and business behavior, democracy, equality, freedom, etc., were of European origin and had no relationship with so-called non-Western civilizations like China. Once people identify certain values as foreign or alien, even worse, if they link them to what they historically and psychologically perceive as the oppressor or the opponent; then, these values also come to represent the oppressor or the opponent. I argue that this is the core of the problem of present-day globalization, which seems to invite almost automatically extreme forms of

nationalism. There are two questions here to be answered. First, is there indeed a “West” from which all universal values and institutions, including those related to business ethics, originate from? Second, if this is not the case, what caused this phenomenon, and how do we correct it? Of course this leads us to an alternative way of presenting and teaching both world history and the history of China and Europe.

### ***Business History Reinvented By Europeans***

A long list of 19<sup>th</sup> and 20<sup>th</sup> century European thinkers, including Karl Marx and Max Weber, have emphasized the uniqueness of Europe’s business history. Even recent globalization historians like Landes (1999) and MacGillivray (2006), consider globalization to be a Europe-centred phenomenon that started around the 16<sup>th</sup> century, shortly after Columbus supposedly discovered America. However, let us consider the historical evidence for an Asiatic world model. Maddison’s (2003; 2007) calculations show that 2000 years ago, India held 33 % of the world economy, while China was in second place with 26 %. India’s population was around 75 million, while that of China was about 60 million. Just to compare, Europe had a population of only 25 million. According to economist Deepal Lal, China and India had too much too soon and became complacent (quoted by Smith, 2007, p. 13).

Of course, such figures and descriptions can be debated, but the broad picture he suggests goes unchallenged. History was clearly on China’s and India’s side. Smith (2007) calls the current rise of China just the return of the status quo which persisted throughout history. According to Maddison (2003; 2007), relatively little changed during the first Christian millennium, the only significant change being the relative rise of Africa. In the year 1000, India was still ahead with 29 % of the global economy, with China at 23 %. Only the next 500 years, from 1000 to 1500 saw the beginnings of the rise of Western Europe, from 9 to 18%. Simultaneously, China caught up and then overtook India. By the time of the Renaissance and Columbus’s so-called “discovery” of America, China and India accounted for nearly half of the global economic activity equally divided between them. These numbers tell a different story from the traditional Eurocentric interpretation of history and also suggest a different interpretation of the history of globalization (Smith, 2007, p. 8-33; Maddison, 2003 & 2007).

Similarly, another popular myth is that the so-called “Western” civilization is a result of a logical chain: Classical Greece and Rome-Renaissance-Industrial Revolution. Naturally this chain does not take into account other major civilizations like China (Wright, 2005). The myth includes, specifically, China. Most West-European historians have considered Chinese culture and society as unchanging over time and have emphasized the “unique” development of modern science in the West, along with the Renaissance, the bourgeoisie, democracy, and capitalism. Business in China was rigid and remained rigid until the dominance of a Confucian bureaucracy was broken. China is “a-historical,” while only Western Europe was subject to change. Many, like J. Needham (quoted by Goody, 2006, p. 153), argued that the People’s Republic would never copy the West but instead develop its own “*socialist form of society*,” which “*would seem to be more congruent with China’s past than any capitalist one could be.*” How they would interpret the present economic liberalization and openness and how they would deal with the examples of Taiwan, Singapore and Hong Kong is another matter. This overemphasis of historical and cultural continuity of “*a powerful ethical system never supported by supernatural sanctions*” (Needham, quoted by Goody, 2006, p. 152), but nevertheless characterized by a passive attitude towards innovation and economic activities, contributes to the idea of a “clash of civilizations” in the manner discussed by Huntington (1996). The feelings that reading these

otherwise very scholarly written overviews evoke among the so-called non-Western (in this case Chinese) public are not taken into consideration.

Famous and, indeed, talented West-European historians like Fernand Braudel (1993) had an ambiguous attitude toward Chinese history. Braudel argued that after the 13<sup>th</sup> century, the Chinese economy started stagnating. He further comments that earlier “*the Chinese advance is hard to explain*” (quoted by Goody, 2006, p. 188). Goody (2006, p. 188) comments: “*But that is surely the case only if one is looking at the world from a 19<sup>th</sup> century Eurocentric standpoint.*” Braudel’s insistence on China’s lack of a sophisticated monetary system required for exchange and production, while only medieval Europe finally perfected its money system is curious because all Eurasian civilizations had to exchange with one another. China’s supposedly backwardness certainly contrasted with the fact that its comparative advantages were able to attract precious metals to its borders from the West for more than two millennia. So, clearly, Western Europe was not the only culture having hunger for gold. According to Goody (2006, p. 190), “*The East knew what it wanted and how to get it by peaceful means, namely, by trade.*” He also puts the European “Renaissance” in a different light:

Throughout Asia, the East did not need the same rebirth since it did not have the same death. That is why China remained ahead of the West, in science until the end of the 16<sup>th</sup> century, in the economy until the end of the 18<sup>th</sup>. It neither had the extensive material collapse nor did it have in the same way a restrictive, hegemonic religion. (Goody, 2006, p. 296)

Even Joseph Needham (1954-), the author of a magisterial series on Chinese inventions, science, and technology, is ambiguous. Needham concluded that science was more advanced in China until the 16<sup>th</sup> century. Yet, when it comes to “inventing invention,” Western Europe comes to the forefront because of its adoption of paper and printing. Goody (2006, p. 297), on the other hand, suggests a “*more regular evolutionary change rather than ... a sudden revolution of a putative kind. 'Modern' science should be more closely linked to earlier science, and developments in the West seen as more continuous with China than Needham finally proposes.*”

There also seems to be a widespread agreement among European historians that with the exception of Japan, feudalism was absent in the rest of the world. This Japanese exceptionalism is, again, typical of Eurocentrism with a slightly negative bend towards China. Historians like Anderson (quoted by Goody, 2006, p. 94) argue that Japan developed a system similar to Europe’s in the 14<sup>th</sup> to 15<sup>th</sup> centuries, explaining, also, Japan’s early achievements in industrial capitalism, often seen as contrasting with China’s experience. Goody (2006, p. 94) describes it as “*a judgement that has turned out to be distinctively premature*” considering the People’s Republic growth since the 1980s. Goody demonstrates that there are no supposedly unique characteristics of earlier Japan.

Also, Pomeranz (2000) shows the parallels between China and Europe as recently as 1750 in life expectancy, consumption, product and market factors, the strategies of households, and, perhaps, most surprisingly, ecology. Pomeranz argues that Europe’s rise in the 19<sup>th</sup> century was due to the fortunate location of coal, which substituted for timber, and the trade with the Americas, allowing the growth of resource-intensive and labor-saving strategies. Although the East Asian hinterlands boomed after 1750, both in population and in manufacturing, this growth itself prevented peripheral regions from exporting vital resources

to the cloth-producing Yangzi Delta. As a result, growth in the core of East Asia's economy essentially stopped. Thus, Pomeranz ignores West European "enlightened" mentality or spirit as a possible factor.

The role of fashion, being connected to the concept of change, was emphasized by Elvin (quoted by Goody, 2006, p. 265). Sumptuary laws were eased in China at about the same time as in Europe when in both regions the bourgeoisie started rising. Afterwards in both regions, fashion and taste rather than law distinguished the elite from the masses.

Goody (2006, p. 269) further identifies charity (to the poor), the ambivalence about luxury (for the rich) as belonging to all major Eurasian urbanized societies. He also disagrees with European claims to the emotions. Medieval historians, such as George Duby (1996), identified the birth of "romantic love" in the troubador society of 12th century Europe. Others, more generally, have attributed a deeper or fraternal sense of love to Christianity and its tradition of charity ("love thy neighbor"). However, in China as early as the 9<sup>th</sup> to 7<sup>th</sup> centuries BCE, love poetry appeared in *The Book of Songs*. In the 6<sup>th</sup> century, a court poet, Hsu Ling, put together a whole collection of love poems called *New Songs from a Jade Terrace*. The rhetorical form of this kind of "Palace Style Poetry" became increasingly more standardized. One of the conventions was that the woman's lover must be absent from the love scenario. Both Europe and China shared this concept, as it was intrinsic to the whole nature of both letter-writing and love poetry.

Eurocentric historians also consider an efficient institutional framework necessary for socio-economic emancipation and business development. Here, democracy and "good governance," including the protection of private property, are considered to be vital for a successful business environment. Again, they are usually identified with evolutions in Western Europe. Nylan (quoted by Goody, 2006, p. 252) claims that even early China (e.g. the Ch'in or Wang Mang) was characterized by a number of checks and balances and probably did not deserve its reputation for despotism. The classical Confucian texts no doubt formed a check on government, and, as a result, the literate classes quite often were opposing the regimes. Wolf (1982) suggests considering the authority systems of both East and West, despotic or democratic, as variants of one another, of the tributary state, with the East being sometimes more centralized than the West.

Finally, John M. Hobson even suggests "*the Eastern Origins of Western Civilisation*" (Hobson, 2004, title). In this way, he revised the history of the world, arguing that Western industrialization was largely based on the adoption of Chinese, Arab, and Indian knowledge, and the imposition of asymmetric trading arrangements on Asian economies. Hobson's work may indeed recall the hugely influential work of his great-grandfather, the radical anti-imperialist J.A. Hobson.

### ***Business Paradigms in Confucianism and Buddhism***

Arguing that religion is the undermining force, sometimes on a subconscious level, of the prevailing paradigms in a society, we suggest analyzing the role of religion in the socio-economic and business development of China in order to further assess "Western exclusivity." In Western European literature and scholarship, certain socio-economic interpretations of Chinese (and Eastern) religious traditions gradually came into existence. The most common and traditional is the Weberian interpretation, which was especially successful among 19<sup>th</sup> century Orientalists, but also among some present-day postmodernists, claiming that Buddhism and Chinese traditions were counterproductive for economic growth and any other societal change. We consider here, specifically, Confucianism and Buddhism.

Confucianism is usually the culprit, explaining why 14<sup>th</sup> century China started restricting foreign trade and all other international contacts. Beattie (2009, p. 151) calls it “one of the most remarkable pieces of self-inflicted damage in economic history.” Most European commentators refer to Confucius’ writings, which favor stability and the maintenance of existing relationships of hierarchy within society. They also refer to the Mandarins, the Emperor’s Confucian bureaucrats, who despised and feared merchants and did their best to control them. But Confucianism had already dominated China’s politics for more than a millennium. So, why only from the 14<sup>th</sup> century?

Confucianism also receives other comments. China contrasted with other areas, like Europe and the Middle East, because its state religion, Confucianism, allowed other traditions to co-exist with it, ignoring its own favor of stability. Basically, China’s religious tradition had no dominant player. There is no doubt that greater plurality dominated. Confucianism, while emphasizing morality, was secular in nature and rejected supernatural explanations. It provided an alternative to ancestor worship, to local shrines, and to Buddhism. Certainly neo-Confucianism allowed the development of science and of alternative views. The absence of such a relatively open environment in Western Europe may explain the need for radical institutional revolutions, like the Glorious, Cromwellian, and, especially, the French Revolution. China, however, had its own revolutions and peasant revolts, but the institutional outcome was not so radical. Peter Burke (quoted by Goody, 2006, p. 243) claims that “the parallels between China and Renaissance humanism are remarkable, including the emphasis on ethics and literature, the recourse to the classics, the interest in editing texts, the belief that a “humane” education is better than a specialist training as an educator.”

Another view of Confucianism is that it stimulated economic growth, as it created a “shame society” whereby the disapproval of the wider community enforced good business behavior. Beattie (2009) claims that by providing a monitoring mechanism within the “self,” guilt societies are better at giving their members the sense of drive and endeavor needed for a flourishing capitalist society. This can, however, be compared to the development of “guilt” connected to the “original sin” in West-European Christian civilization. We may conclude that neither hierarchies, shame, or the non-existence of revolutionary tendencies are exclusively typical of Confucianism.

While Confucianism was the religion of the Mandarins, the predominant religion in China was Buddhism. Despite its Indian origin, by 600 AD an estimated 90 % of China’s population subscribed to Buddhist beliefs and practices. It became part of a syncretic outlook that continued to develop Taoist and Confucian concepts. It especially mixed with Taoism and provided this religion with a model for its own progress. Mahayana, or “Greater Vehicle,” the particular kind of Buddhism that had reached China, was less individual and stringent. It preached universal salvation and the transferability of “merit” earned by good works.

Here, again, the point is that its socio-economic implications are very diverse and that the “Western” view has only focused the so-called Weberian interpretation that Buddhism was an obstacle to economic growth. It should be noted, however, that this negative approach received very relevant attention in the European post-War socio-ecological movement, which turned it into a positive approach. Buddha called for controlled consumption behavior and that the objective of activity can only be a self-sustainable economy. Weber emphasized that the resulting escape from materialistic things creates an obstacle to growth. Connected to this is the ecological approach, as advocated by E.F. Schumacher (1993 (1973)) in his *Small is Beautiful* (see next chapter).

Apart from the Weberian interpretation, there are at least two other important interpretations ignored by the “West.” The first one is the liberating interpretation of Buddhism. In Chinese history, Buddhism was more intellectually and economically liberating than official Confucianism and popular Taoism, as it was the dominant religion among merchants. The roots of this liberating aspect of Buddhism go back to its origins in the fertile Ganga plains in ancient India between the 6<sup>th</sup> and 4<sup>th</sup> centuries BC. As the Buddha reacted against monarchical and Brahmanical (Hindu priest cast) control, he emphasized the power of human action and activity. This was the result of his doctrine of causality and the power of human effort in shaping one’s destiny. The Buddha also forbade his followers from living on an income derived from the slave trade. A policy of moderation on the part of the masters would, in turn, be rewarded with loyal workers (Chakravarthi, 2004).

But the only real possibility of escaping effectively the inegalitarian and hierarchical structure of society was in the institution of the *sangha*. The *sangha* was devised as a parallel society where one could construct, with immediate effect, a new structure of relations. Chakravarthi (2004, p. 20) identifies the *sangha* as “an institution of the asocial world, an institution outside the frontiers of existing society which was based on the vanishing pre-class societies of the past.” Nobel Prize winner in Economics, Amartya Sen (2009, p. 331), identifies the *sangha* or Buddhist Councils, beginning in the 6<sup>th</sup> century BC, as the cradle of democracy and challenges the “Athens” theory in this regard.

The second non-Weberian interpretation of Buddhism states plainly that it stimulated economic growth. There is a connection to the previous liberating interpretation. Brahmanism had attributed low value to the economic domain. This accounts for the greater popularity of Buddhism with all categories of people involved with production (Chakravarthi, 2004). Similarly, taking the doctrine perspective, according to Dasgupta (1993, p. 13-27), the Buddha’s principle of “appamada,” which basically means taking care of, or being responsible for, could also be interpreted as in favor of promoting growth. This interpretation, of course, became relatively popular when Japan and the Asian Tigers became economically successful after the Second World War, and it received new attention with the economic success of the PRC. The individual spiritual freedom that is so typical of Buddhism comes close to individual economic freedom. From this perspective, profits become a reward for initiatives. Also, the role of the state should be limited, since taxation encourages corruption.

The Buddha included shrewdness, capability, and the power to inspire confidence among his customers as modes of right conduct for shopkeepers. Also, a merchant should practice thrift, to the tune of saving 25 per cent of current income, which should be re-invested in his business. The *Vimalakirtinirdesa Sutra* spelled out these roles in some detail. In it the life and teachings of Vimalakirti (c. 400 AD), a legendary Buddhist householder, are held up as an example. Vimalakirti taught that neither monkhood nor household life is an absolute good. Each is to be regarded as an instrumental good, a skilful means, for achieving progress on the long road to “nirvana.” This pro-commerce attitude, typical of Buddhism, differs both from the Christian traditions and the classical ancient Greek traditions. Latin Christianity, including the medieval Italian scholastic theologian Thomas Aquinas, condemned the pursuit of personal material wealth as contrary to the will of God, and most Greek writers, including Aristotle, associated commerce with fraud, avarice, luxury, and moral corruption.

Is there a similarity to Protestantism as suggested by Kishore and Ganpati (2007, p. 38-41)? According to Weber, Protestantism not only reacted against the rigidities of Catholicism, but also introduced capitalism to Western Europe. One might also suggest a resemblance to the 19<sup>th</sup> century American School of Individualism, including philosophers like Herbert Spencer, which were by definition all Protestants. At least some

similarities are confirmed by the economic parameters during the period when Buddhism became successful in Chinese and Indian history. There is evidence that internal and external commerce significantly increased, as well as the organizational strength and political influence of mercantile groups. Many members of these groups converted to Buddhism, which suited them more than the old Confucian order (in the Chinese case) or Hindu order (in the Indian case) with their rigid hierarchies, elaborate sacrificial rites, and high tax rates. The richest merchants and their guilds also became the main patrons of the Buddhist monasteries and art. Dasgupta's (1993, p. 13-27) conclusion may be too farfetched but illustrates the point: "*the* Buddhist monasteries were probably among India's earliest and most important capitalists." The Chinese experience with Buddhism was similar. Monastic wealth provided capital for many local projects, like new bridges and grain mills, outside of centrally controlled government spending.

So, did Confucianism and Buddhism discourage or encourage economic growth and business development? In all major religions, including Christianity and Islam, we observe the same contradictions. While the Islamic law, the "*sharia*," emphasize egalitarian principles resulting from uplifting and liberating the people of Mecca during the 7<sup>th</sup> century, they also emphasize the need for commerce, as the prophet was a merchant himself. Buddhism is no different.

### ***Reasons for the "Theft of History"***

If so many contradictions appear in Chinese society, history, and religions, then why did West-European scholars remain fixed on one Eurocentric and negative interpretation? The Polish-Jewish scientific philosopher J. Bronowski, who moved to England in the 1930s, reflected the psychology of the dominant civilization. In his work *The Ascent of Man*, he expresses regret that the so-called Western civilization is gradually disintegrating. Yet, he also acknowledges the every civilization is only temporarily:

If we do not take the next step in the ascent of man, it will be taken by people elsewhere, in Africa, in China. Should I feel that to be sad? No, not in itself. Humanity has a right to change its colour. And yet, wedded as I am to the civilization that nurtured me; I should feel it to be infinitely sad. I, whom England made, whom it taught its language and its tolerance and excitement in intellectual pursuits; I should feel it a great sense of loss if a hundred years from now Shakespeare and Newton are historical fossils in the ascent of man, in the way that Homer and Euclid are (Bronowski, 1973, p. 437).

Chaohua Wang (2005) argues that it also may have to do with the fact that the length and depth of traditional Chinese civilization, nor the importance of China in the modern history of the world, are reflected in translations in European languages of Chinese thought and culture. This may be explained by the political criteria which the official translation offices and a foreign-language publishing house, set up by the People's Republic after the Maoist revolution in 1949, were implementing. In particular, the spectrum of writing from late 19<sup>th</sup> and 20<sup>th</sup> centuries show that China was never adequately represented. Mitter (2008) also refers to the fact that a typical characterization of China's past, often put forward by the Chinese modernizers of the 20<sup>th</sup> century, is that (late) imperial China was a corrupt, "feudal" mess that was held back by unchanging Confucian thought. In the "West," publishing houses were not critical towards this official point of view and not concerned with relatively expensive translations of Chinese texts, which were hard to get. This resulted in an imbalance in the cultural exchange between China and Europe; Chinese readers traditionally had more access

to large areas of Western literature and intellectual thought than vice versa.

Since the dismantling of most of the cultural apparatus of Maoism, many political restrictions no longer apply, but the Chinese state has ceased to concern itself with large-scale translations. Gradually, foreign scholars took over the task of correcting the imbalance of intellectual exchanges between China and Europe. Still, history and philosophy have found less skilled translators than classical poetry or fiction. Wang (2005) refers to the lack of English translations of the work of Hu Shih, the central figure of early Chinese liberalism, of Lu Xun's essays, which were at least as influential as his fiction, of Wang Guowei's literary and philosophical studies, and of Chen Yinke's historical scholarship. This explains why modern Chinese culture remains only partly visible in foreign mirrors. It also explains why the stereotypes about Chinese culture persist in Europe.

### Conclusion

We suggest that if more importance in education is put on history, reflecting the achievements of mankind as global phenomena and stopping presenting everything within a dangerous West/non-West framework, understanding between China and Europe would greatly improve. Goody (2006) suggests understanding the great nations or civilizations of "Eurasia" as variations one of another. However, using notions like Asiatic or Chinese despotism and exceptionalism, and linking notions like capitalism and democracy to the "West" makes this impossible. They prevent rational enquiry. Of course differences certainly existed. But what is needed is a more careful comparison, "not a crude contrast of East and West, which always finally turns in favor of the latter" (Goody, 2006, p. 4). In many "Western" world history overviews, the entire continent of Asia is even overlooked, except when the so-called "West" interacts with it or intrudes on it. Goody (2006, p. 8) explains his own reasons for his book *The Theft of History*:

My own aim is to show how Europe has not simply neglected or underplayed the history of the rest of the world, as a consequence of which it has misinterpreted its own history, but also how it has imposed historical concepts and periods that have aggravated our understanding of Asia in a way that is significant for the future as well as for the past.

Obviously, history reflects personality and environment. It certainly reflects one's own time: most scholars still try to explain the success of the West from the 18<sup>th</sup> century to the 20<sup>th</sup> century. But in the very near future, the main object of scholarship may be how to explain the rise of the East in the 21<sup>st</sup> century. But in a world that is becoming increasingly conscious of the inter-relationship between the world's continents, there is a specific need to overcome these subjective factors and to consider globalization and development from a broadminded, genuinely international historical framework. The psychology of humans is to consider everything that they do not understand or can identify with as something suspicious. Sen (2006, p. 44) refers to a Hitchcock film called *Rear Window* where a crippled photographer, played by James Stewart, was observing some very suspicious events in the opposite house. Like James Stewart, the audience became convinced that a gruesome murder had been committed in the apartment that could be seen from the rear window. The film was actually an indictment of McCarthyism in the US, which encouraged everybody to watch the activities of other people with great suspicion. The relationship between Chinese and West-European business partners is not different. Even though huge progress has been made during the last three decennia, a certain uneasiness due to distrust

continues to exist. If Western Europe would consider itself no longer as the ultimate vehicle of civilization, and if China would stop considering itself as “the country in the centre of the world,” haunted by bad experiences of interactions with West-Europeans in contemporary history, then exchange of experiences and ideas would greatly be promoted.

The question whether we can simply implement the West-European ideals of democracy and market mechanisms within a mixed economy on a country like China becomes irrelevant as both concepts are no longer West-European. For that matter, India, the other fast-growing liberalizing economic Asian giant of the 21<sup>st</sup> century, took up both. It is nevertheless characterized by corruption and infrastructural problems. Many analysts argue that India grows despite its government which is synonymous for “bad governance.” Many Indians envy China for its strong unity, its planning capacities, its sense of order and discipline. India excels in individually driven activities like software and other intellectual activities connected to human capital, while China excels in any production activity that requires group coordination. Their different political cultures may explain the socio-economic differences between these two neighbors. Both have advantages and disadvantages. But when it comes to it a one party system, “on a full stomach” may be preferred to democratic rights “on an empty stomach.” And China, so far, has been more successful in fighting poverty than India. Friedman (2005) also argues that the Chinese economic growth itself has resulted in a better standard of living and has introduced more democratic values and tools compared to the beginning of the 1980s.

China may follow South Korea’s path in introducing democracy after being a one-party military dictatorship for almost half a century. But at the same time, Friedman emphasizes that no society, no matter how rich it becomes, is ever immune from seeing its fundamental democratic values placed at risk at any time. Western European countries have introduced fascism and Nazism at a time when they still economically performed much better than most other areas in the world. By the beginning of the Second World War, the economic crisis of the 1930s had actually been solved. Friedman concludes that moral benefits are an important part of the story of economic growth but that a reframing of policies in order to move in the direction of genuine growth is necessary.

There is no doubt that China has the tools and the values to find its own path to balance economic growth and moral considerations. The development of business ethics among China’s cultural circles is hopeful. The present renaissance of religion and philosophy in China may contribute to this development. The Tibetan problem may be a very important challenge, but the Indian-Buddhist spiritual heritage of Tibet itself and its role in Chinese history, which cannot be denied, may play an important role in the establishment of Chinese business ethics. If this development would then interact with the central and especially the local political structures, China may have the potential of becoming a model for combining responsible business ethics with the necessity for growth. The so-called “West” never really solved the contradiction between these two.

Mitter (2008) refers to the novel *Brave New World* (1980 (1932)), by Aldous Huxley, where the book’s protagonist, the Savage, is brought into a civilization set several centuries into the future where everybody is happy. On the one hand, materials are satisfied on demand, and everybody is part of a social category that suits their needs. On the other hand, dangerous and uncomfortable information is kept away from the public, and people with independent ideas are exiled to “Iceland.” Is there a “Brave New China”? The Chinese authorities send confusing signals. Democracy only brought chaos and an impoverished countryside to democratic India, which is full of stubborn individuals with independent ideas. The Peoples’ Republic brought growing prosperity and harmony to China. But in *Brave New World*, the Savage claims “the right to be unhappy.” The

Controller, who defends the safe, cosy, and unquestioning new world, replies:

Not to mention-the right to have too little to eat; the right to be lousy; the right to live in constant apprehension of what may happen tomorrow; the right to catch typhoid; the right to be tortured by unspeakable pains of every kind (Mitter, 2008, p. 140).

After a long silence, the Savage says: "I claim them all." The Controller, shrugging his shoulders, replies: "You're welcome." Mitter concludes that both are right and wrong. Maybe a major contribution of Western Europe, and especially its literature and arts, to China is this capacity to accept contradictions and to integrate them in an artistic way like Aldous Huxley did. But Europe itself, so far, has shown little sign of accepting contradictions in its interpretations of the world outside Europe, including China.

China, sometimes, continues to be nationalistic and, even, occasionally xenophobic ( Mitter, 2008), and continues to promote itself as "the alternative" or "the other," in contrast with some other external power, which in this case is the so-called imperialist "West." By seeing themselves as a unique and ultimate civilization, which was different from all other civilizations, "Westerners" contribute to this phenomenon. Such theories like the West-non-West theories "have lives of their own, quite defiantly of the phenomenal world that can actually be observed" (Sen, 2006, p. 104). Goody (2006, p. 9) rightly observes that "the voices on the other side (the Eurocentric side) are often so dominant, so sure of themselves, that we can perhaps be forgiven for raising ours."

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