

A Political-Economic Comparative Analysis between *the Fable of the Bees* and *Chi-mi*

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Abstract

The Fable of the Bees argues that private vices like human wants, vanity and extravagant consumption bring forth public benefits like charity, division of labor, hard work, innovation, social progress and prosperity. The chapter of *Chi-mi* in *Guan Zi* advocates extravagant consumption by the rich and powerful to stimulate economic prosperity and employment especially in times of natural disaster and economic downturn. *The Fable of the Bees* and *Chi-mi* share many similarities in their economic reasoning. However, their fates, political backgrounds and objectives are quite different.

The Fable of the Bees was written in England a few decades after the Glorious Revolution. It opposes putting religious and moral restraints on consumption. It acknowledges the following preconditions for turning private vices into public benefits: security of private property, political equality, the rule of law and freedom of thoughts. These preconditions were largely satisfied in post Glorious Revolution England. The triumph of parliamentary supremacy resolved major political conflicts between the landed aristocracy and the middle class. Furthermore, great power rivalry among European states prompted many intellectual enquiries into state powers and the nature of wealth. Consequently, *The Fable of the Bees* inspired classical economics.

Chi-mi is a statecraft, its main concern is the centralization of power. It advocates extravagance as a means to strengthen the control of the sovereign over powerful lords, officials and aristocrats to reduce their wealth and power thus avoid their challenges to the political center. Despite the calls for consumption, *Chi-mi* places the status of agriculture over that of commerce and industry. *Chi-mi* was written during the formation period of the traditional centralized imperial state of China. China maintained such political ideology for the next two millennium where internal political control and stability were the main concern of the empire. Therefore, mind control regime (including the Confucian orthodoxy) was firmly established while commerce and industry were suppressed. Furthermore, the lack of a competitive external environment means that there was no motive to inquire into the state power and the nature of wealth. Consequently, *Chi-mi* became virtually obsolete.

Keywords: mercantilism, liberalism, classical economics, statecraft, legalism, extravagance, luxury

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《蜜蜂的故事》與《侈靡》之比較政治經濟分析

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摘要

《蜜蜂的寓言》認為欲望，虛榮和奢侈的消費等私人的惡習帶來慈善事業，專業分工，辛勤的工作、創新、社會的進步和經濟繁榮等公共的利益。《管子》的《侈靡》主張讓富商與權貴奢侈消費來刺激經濟的繁榮和就業，特別是在自然災害和經濟不景的時候。《蜜蜂的寓言》和《侈靡》的經濟推理有很多相似之處。然而，他們的命運和政治背景和目標卻大不相同。

《蜜蜂的寓言》寫於英國的光榮革命後的幾十年。它反對宗教和道德對消費的約束。它認識到私人的惡習要變成公共的利益有一些先決條件，包括私有財產的保障，政治上的平等，法治和思想的自由。在英國光榮革命後，這些先決條件基本上都滿足了。國會至上的勝利，解決了貴族和工商階級之間的主要政治矛盾。而歐洲國家間的權力的競爭，則促使了許多關於的國家的實力和財富的本質和來源的探討。因此，《蜜蜂的寓言》啟發了古典經濟學。

《侈靡》是一種政治權謀，它的主要關注的是集權。其目的是國家通過鼓勵鋪張浪費的政策來控制強大的富商，官員和貴族和削弱他們的財富和權力，以免他們對中央政治中心形成挑戰。所以儘管呼籲消費，《侈靡》強調農業的地位在工商業之上。《侈靡》寫作於中國傳統的中央集權帝國形成的時期。在未來的兩千年內，中國大致上維持著這種政治形態。內部的政治控制和穩定是帝國主要的關注。因此，有了控制思想的政策（包括獨尊儒術）和抑商政策。而且，外部環境缺乏競爭。於是，缺乏了對國家的實力和財富的性質和原因的研究和探索。因此，《侈靡》幾乎被遺忘。

關鍵詞：重商主義、自由主義、古典經濟學、政治權謀、法家、揮霍無度、奢侈

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Introduction

In *The Fable of the Bees*, Barnard Mandeville (AD 1670-1733) argues that wants of the mind and extravagant consumption are the cause of progress and prosperity of society. Wants of the mind and extravagant consumption bring forth hard work and innovations that raise output and productivity.

About two thousand years ago, ancient China produced the essay *Chi-mi* (侈靡). It is a chapter in *The Book of Guan Zi* (管子). *Chi-mi* advocates extravagant spending in the pursuit of pleasure and luxurious living by the rich and powerful to stimulate economic prosperity and employment especially during the time of natural disasters and economic distress.

The Fable of the Bees inspired classical economics. Adam Smith, for instance, took important elements from Mandeville to build his own theoretical system and followed the path of economic analysis beyond moral considerations.¹ The economic reasoning of *Chi-mi* however was almost forgotten and produced no major intellectual descendants in the long two millennium history of pre modern China.² Why did *Chi-mi* have such a different reception from its English counterpart?

Section two studies the economic reasoning and liberal inclinations of *The Fable of the Bees*. Section three analyzes the economic reasoning and statecraft considerations of *Chi-mi*. Section four examines why the two defenses for extravagant consumption spending met with so different fates. Section five concludes the paper.

The Fable of the Bees

Mandeville's *The Fable of the Bees* is the most well known and controversial among the earlier defenders for extravagant spending.³ Mandeville argues that wants of the mind spurs progress while abundance in natural condition causes stagnation. Extravagance in consumption increases desires of human beings and is therefore good for society as it will bring forth greater work effort and economic prosperity.

Mandeville argues that amiable natural environment causes economic underdevelopment since nature provides man with almost everything he needs:

“Let us examine then what things are requisite to aggrandize and enrich a nation. The first desirable blessings for any society of men are a fertile soil and a happy climate, a mild government, and more land than people. These things will render man easy, loving, honest and sincere. In this condition they may be as virtuous as they can, without the least injury to the public, and consequently as happy as they please themselves. But they shall have no arts or sciences, or be quiet longer than their neighbours will let them; they must be poor, ignorant, and almost wholly destitute of what we call the comforts of life, and all the cardinal virtues together won't so much as procure a tolerable coat or a porridge-pot among them: for in this state of slothful ease and stupid innocence, as you need not fear great vices, so you must not expect any considerable virtues. Man never exerts himself but when he is rous'd by his desires: while they lie dormant, and there is nothing to raise them, his excellence and abilities will be for ever undiscover'd, and the lumpish machine, without the influence of his passions, may be justly compar'd to a

¹ Refer to Prieto (2004, 1, 14-21).

² 陸輯 of Ming Dynasty advocated policies proposed by *Chi-mi*.

³ Refer to Chalk (1966, 5-6) and Rashid (1985, 313- 317).

huge wind-mill without a breath of air.” (Mandeville, 1924, part I, p. 183-4)

A hostile natural environment and wants of the mind are therefore blessings in disguise.

The wants of the mind spur man to labor and innovations:

“whereas the excellency of human thought and contrivances has been and is yet no where more conspicuous than in the variety of tools and instruments of workmen and artificers, and the multiplicity of engines, that were all invented either to assist the weakness of man, to correct his many imperfections, to gratify his laziness, or obviate his impatience.” (Mandeville, 1924, part I, p. 367)

Desires and vices bring forth progress:

“Thus vice nurs’d ingenuity, which join’d with time and industry, had carry’d life’s conveniences. It is real pleasures, comforts, ease, to such a height, the very poor liv’d better than the rich before, and nothing could be added more.” (Mandeville, 1924, part I, p. 26)

Among the vices that Mandeville has in mind are: “the love man has for his ease and security, and his perpetual desire of meliorating his condition.” (Mandeville, 1924, part I, p. 180)

The vices also include lust and vanity: “Millions endeavouring to supply each other’s lust and vanity.” (Mandeville, 1924, part I, p. 18)

Mandeville’s favorite vice is vanity:

“To this emulation and continual striving to out-do one another it is owing, that after so many various shiftings and changings of modes, in trumping up new ones and renewing of old ones, there is still a plus ultra left for the ingenious; it is this, or at least the consequences of it, that sets the poor to work, adds spurs to industry, and encourages the skilful artificer to search after further improvement.” (Mandeville, 1924, part I, p. 130)

Private vices and imperfections contribute to public benefits: “But the necessities, the vices and imperfections of man, together with the various inclemencies of the air and other elements, contain in them the seeds of all arts, industry and labour.” (Mandeville, 1924, part I, p. 366)

The end result is greater prosperity and specialization of labor in society:

“The greater the variety of trades and manufactures, the more operose they are, and the more they are divided in many branches, the greater numbers may be contained in a society without being in one another’s way, and the more easily they may be render’d a rich potent and flourishing people.” (Mandeville, 1924, part I, p. 367)

Mandeville defends private vices (including extravagance) by the public benefits (including increased employment and innovations and charity works) they generated. Mandeville stresses that vanity, that is, the concern for social status, leads to consumption of luxury. That in turns leads to greater work effort, innovation, greater specialization of labor and thereby increases the wealth of the nation. Therefore, private vices, including extravagance in consumption, are public benefits. This is the famous Mandevillian paradox.

Mandeville attacks frugality and argues that luxury employs people:⁴ “The root of evil, avarice, that damn’d ill-natur’d baneful vice, was slave to prodigality, that noble sine; whilst extravagance employ’d a million of the poor, and odious pride a million more.” (Mandeville, 1924, part I, p. 25)

Virtues, in contrast, are no basis for exchange, interdependence and specialization of

⁴ Refer to Prieto (2004, 16).

labor and therefore could not be a basis for society:

“for as this is entirely built upon the variety of our wants, so the whole superstructure is made up of the reciprocal services, which men do to each other.....To expect, that others should serve us for nothing, is unreasonable; therefore all commerce, that men can have together, must be a continual bartering of one thing for another.” (Mandeville, 1924, part II, p. 349)

Virtues are only fit for a small nation: “Few virtues employ any hand, and therefore they may render a small nation good, but they can never make a great one.” (Mandeville, 1924, part I, p. 367)

Mandeville argues that even for charity, selfish passions such as pride and vanity have more contributions than virtues: “Pride and Vanity have built more Hospitals than all the Virtues together.”

Mandeville argues that it is the individual’s concern with status which inspires diligence.⁵ “A Search into the Nature of Society” also stresses the same point:

“here a man has every thing he desires, and nothing to vex or disturb him, there is nothing can be added to his happiness; and it is impossible to name a trade, art, science, dignity or employment that would not be superfluous in such a blessed state. If we pursue this thought we shall easily perceive that no societies could have sprung from the amiable virtues and loving qualities of man, but on the contrary that all of them must have had their origin from his wants, his imperfections, and the variety of his appetites: we shall find like-wise that the more their pride and vanity are display’d and all their desires enlarg’d, the more capable they must be of being rais’d into large and vastly numerous societies.” (Mandeville, 1924, part I, p. 346-347)

There are of course preconditions for private vices to turn into public benefits. These preconditions are:

“Would you render a society of men strong and powerful, you must touch their passions. Divide the land, tho’ there be never so much to spare, and their possessions will make them covetous: rouse them, tho’ but in jest, from their idleness with praises, and pride will set them to work in earnest: teach them trades and handicrafts, and you’ll bring envy and emulation among them: to increase their numbers, set up a variety of manufactures, and leave no ground uncultivated; let property be inviolably secured, and privileges equal to all men; suffer no body to act but what is lawful, and every body to think what he pleases; for a country where every body may be maintained that will be employ’d, and the other maxims are observ’d, must always be throng’d and can never want people, as long as there is any in the world.” (Mandeville, 1924, part I, p. 184)

The preconditions are sanctity of private property rights, political equality, the rule of law and the freedom of thoughts.⁶

Chi-mi

Chi-mi agrees with Mandeville’s argument that wants of the mind spurs employment and production and hence extravagance should be encouraged:

“Let those who have accumulated wealth dress and eat in lavish fashion, use highly decorated carriages and horses in an extravagant way, and consume

⁵ Refer to Dew (2005, 154-5).

⁶ This argument is shared by the classical economist. Refer to Rosenberg (1963, 187-191) and Chalk (1966, 12).

large quantities of sweet wine in a luxurious manner. Then no one, even in a thousand years, will ever lack for food. This is because there will have been the promotion of essential production. The income from harvests in the outer districts is especially important. The use of this income should be controlled. If it is not controlled, it will accumulate in the markets. If it accumulates either in the hands of those below or those on high, it means that profits will be irregular. For the hundred surnames, nothing is more precious. They consider profit above all. Both those on high and those below will concentrate where profits are to be found. Once there is profit, goods can circulate. Once they circulate, a ruler may establish a true state. If profits fail to materialize, people will look for places where they are forthcoming and move there. When you observe members of the gentry who cannot be employed, reduce them to ordinary people's level. Select those of good reputation, those who demonstrate their goodness unceasingly, should be treated as national models." (Rickett, 1985, p. 315-316)

Chi-mi goes to the extreme of advocating extravagance for the dead:

"Have the rich build grandiose tombs to employ the poor, construct highly elaborate graves sites to employ engravers and sculptors, use large coffins to provide work for carpenters, and prepare numerous sets of funerary clothing and coverlets to provide work for seamstresses. Since this is still not enough, there should be bundles containing different gradations of sacrificial meat, containers holding different types of grain, and funerary objects of metal, pottery, and jade. Doing this provides a source of living from which, thereafter, all people benefit, and it is appropriate even when the country is preparing for war." (Rickett, 1985, p. 319)

Despite its proposal for extravagance in consumption, *Chi-mi* emphasizes the agricultural sector above the commercial and industrial sectors. *Chi-mi* considers agriculture as essential and commercial and industrial as subsidiary:

"When cities are poor, but outlying areas are prosperous, nothing could be better for the court. When the cities are rich, but outlying areas are poor, nothing is more efficacious than having markets. Markets are stimulators. As stimulators, they are a means to develop essential production. When they are well managed, subsidiary production will develop. Without extravagant spending for consumer and extravagance goods, essential production cannot be firmly established." (Rickett, 1985, p. 306.)

The purpose of encouraging extravagance in consumption is to promote agricultural production:

"Nothing is better than a policy of extravagance in spending. If the prince treats the necessities of life as having little value but useless things with great respect, man can be shaped at will. Accordingly, the prince should treat grain as having little value but pearls and jade with respect. Likewise, he should express his liking for ceremony and music but belittle productive enterprise. Such a policy is the beginning of essential production." (Rickett, 1985, p. 306-307)

Chi-mi argues that due to scarcity in natural resources, commerce and industry are necessary for supporting the population. Yet, agriculture is still the most important:

"Land has become expensive and the population has increased. Broken and exhausted and unable to support themselves, people have prospered only by pursuing nonessential production. For this reason, they denigrate the empty name of agricultural and esteem the reality of trade and handicraft production.

The sage pays special attention to essential production so that his people may indulge in various pleasures, including music and chess.” (Rickett, 1985, p. 305-306)

It is important to note that *Chi-mi* is not speaking on behalf of the commercial class. *Chi-mi* in fact criticizes them for not being loyal and useful to the sovereign:

“After doing this, have itinerant merchants move into the country. These are not ordinary people. They claim no district as their home nor adopt any prince as the object of their service. When selling, it is to seek profit; when buying, it is not to acquire possessions. From the country’s mountains and forests they take what they can for profit. In the official markets, their income will amount to twice their capital expenditures. Because of these flourishing markets, those on high will indulge in extravagant spending while their subordinates will be given to luxurious living, and both the prince and his ministers will benefit accordingly. When both those on high and those below feel close to one another, the wealth of the prince and his ministers need not be hidden away. This being so, the poor will have work to do and food to eat. Moving people from feudal estates to the markets is another way to solve this problem.” (Rickett, 1985, p. 329-330)

Chi-mi is not mercantilist nor advocates the importance of commerce. It does not advocate greater autonomy or political power or higher social status for the commerce class. The main targets of *Chi-mi*’s extravagance policy are the powerful feudal lords and members of the officialdom, as well as rich merchants. The extension of the special privilege to luxurious consumption to the powerful lords and officers and rich merchants is to make them willing to serve the sovereign: “One must expound the benefits of Earth so that the people may become prosperous, and promote extravagant spending so that one may gain the allegiance of the gentry.” (Rickett, 1985, p. 309)

Chi-mi proposes extravagant consumption for the rich merchants and powerful lords and officers as a mean of statecraft.⁷ *Chi-mi* is a way to control the powerful and rich subordinates and associates of the sovereign. It does so by satisfying the desires of the subordinates and associates for extravagant consumptions and thereby inducing them to exert effort for the sovereign:

“Should you, our present prince, become involved in war, I suggest that you act in accordance with what the people consider important. Drink and food, extravagance and pleasure - these are what the people want. Satisfy their desires and supply their wants, then you will be able to employ them. Now, if they are forced to wear skins for clothing, fashion their hats from animal horn, eat wild grasses, and drink raw water, who will be able to employ them?” (Rickett, 1985, p. 310-311)

Encouraging the rich and powerful to consume extravagantly not only increases social stability by reducing income inequality, it also reduces the wealth of the rich and powerful and thereby their ability to resist or rebel against the power of the sovereign:

“Lengthen the mourning period to reduce the time a family may be rich. See the funeral escort is very lavish so the rich will spend their money. Keeping relatives coming and going is a way to keep people cooperative. This is called having much but being poor.” (Rickett, 1985, p. 318-319)

The following passage gives a good glimpse of the statecraft consideration of *Chi-mi*:

“People who are disturbed in mind cannot be expected to perform meritorious

⁷ Refer to 張固也 (2001, 87-88, 90-91).

service. Therefore, let people taste the richest tastes, satiate themselves with the finest music, elaborately decorate eggs only to boil them, and finely carve wood only to burn it. Never close the entrances to cinnabar mines so that merchants and traders will not remain at home. Let the rich live in extravagance and the poor do work for them. In this way the hundred surnames may spend their lives in comfort, full of vigor, and with plenty to eat. This is not something they could do on their own. One must accumulate wealth on their behalf.” (Rickett, 1985, p. 311)

Chi-mi worries that if the merchants, ministers or lords become too powerful or too rich, they might become threats to the sovereign or refuse to take orders from the sovereign.⁸ In fact, “mi” in *Chi-mi* has the meaning of scatter or dissipate or disperse. *Chi-mi* therefore means to dissipate or disperse the wealth of the rich and powerful through a policy of encouraging them to consume extravagantly.⁹

In sum, the main focus of *Chi-mi* is not economics but politics. It is about how to use luxurious consumption as a mean to control the subordinates and associates of the sovereign. Greater consumption and production is not the ultimate aim, but a mean to the ultimate goal of better political control. This is the traditional understanding of *Chi-mi* in pre modern China.¹⁰ This statecraft focus and political emphasis of *Chi-mi* is especially clear if one reads it in the context of the whole work of *The Book of Guan Zi*.¹¹ The main aim is not to strengthen the economy. It is to strengthen the ruler’s control over potential internal rivals and to enable him to assert his dominance over the other states so that he may become a true king. The ruler himself must not overindulge.

Differences in Historical Background and Reception of the Two Calls for Extravagance

Both *The Fables of the Bees* and *Chi-mi* share the conviction that human beings are motivated by self-interest. Both understand that if properly channeled, such self seeking human nature could bring forth prosperity. However, despite the similarities they share, their fates are fundamentally different. Mandeville has classical economics as his intellectual offspring.¹² *Chi-mi*, in sharp contrast, has no economic science as its intellectual descendent. The only notable impact it has on Chinese intellectual history is the work of Lu Ji (陸輯) of Ming Dynasty which similarly argues for luxury consumption to stimulate employment. Why the two justifications for extravagance have with so different fates?

The conventional reason given for the neglect of *Chi-mi* in pre modern China is that pre modern China was a large landmass agrarian society. Many Chinese scholars cite China’s backward agricultural economy as the chief reason for the failure of *Chi-mi*’s economic reasoning to develop further.¹³ By this conventional argument, England was highly commercialized when Mandeville wrote *The Fable of the Bees*. It is therefore no surprise that thoughts of the agrarian sector such as frugality and saving dominated traditional Chinese economic thinking while thoughts from the commercial sector such as extravagance and spending dominated the English thinking.

⁸ Refer to 張固也 (2001, 88-90).

⁹ Refer to 王輝 (2011, 50).

¹⁰ Refer to 張固也 (2001, 91).

¹¹ Refer to 張固也 (2001, 87-89, 91) and 萬英敏 (2007, 24-25).

¹² Refer to Hayek (1948, 9) and Chalk (1966, 1).

¹³ Refer to Yang (1957, 39-43) and 郭沫若 (1984, 192-193).

This conventional reasoning overlooks two points. First is the fact that England during the time of Mandeville still had a very large agricultural sector. Most employments in Great Britain during that time were still in the agricultural sector.¹⁴ At the time *Chi-mi* was written, China, while predominantly an agrarian civilization, was having thriving commercial activities.¹⁵ Merchants not only accumulated immense amount of wealth, they also participated actively in politics. The First Emperor, for instance, once had a foreign prime minister (呂不韋) with a commercial background. The second point is that according to this conventional reasoning, *Chi-mi* advocated on behalf of the merchant class, defended its interests and thoughts. As shown in the previous section, this was not true. *Chi-mi* was neither mercantilist nor was it advocating the rights and interests of the merchant class. Though the English and Chinese calls for extravagance are very similar in their economic reasoning that consumption of luxuries stimulate employment and production, their main objectives are very different. *Chi-mi* is primarily about statecraft and its main concern is centralization of power while *The Fable of the Bees* is arguing for freeing economic activities especially consumption from moral and religious restraints.

The differences in the primary objectives of the two works have a lot to do with their different historical background. Barnard Mandeville (AD 1670-1733) wrote *The Fable of the Bees* a few decades after the Glorious Revolution (AD 1688) in England. The Glorious Revolution affirmed parliamentary supremacy and democracy. The Bill of Rights (AD 1689) further limited monarchical power and strengthened democracy. The preconditions for the main argument of *The Fables of the Bees* (private vices are public benefits) to work are sanctity of private property rights, political equality and the rule of law.¹⁶ These preconditions were largely satisfied in post Glorious Revolution England. Therefore, in the England when Mandeville was writing, private vices would become public benefits and Mandeville's argument found an audience. *The Fable of the Bees* was to further liberate consumption and economic activity and reasoning from religious and moral restraints. It was written within a political and cultural environment whereby the rule of law was in place. It was a liberal thinking in a liberal cultural tradition, with strong free market and individualism inclinations. Mandeville's work could be seen as a further attempt to enlarge the domain of individual liberty.¹⁷ Consequently, the new perspective of looking at the economy offered by *The Fable of the Bees*, one that is relatively freed from concern with morality, virtues or justices, paved the way for the emergence of classical economics.¹⁸ The Mandevillian paradox is the precursor to Adam Smith's argument that that individuals' pursuit of private gains benefits the society through the invisible hand of the market mechanism even though they have no benevolent intentions.¹⁹

The international political environment played a role too. Ever since the collapse of the Roman Empire, Europe had largely remained politically fragmented. Political fragmentation and competition spurred the competitive pursuit of wealth and power among states.²⁰ For the few centuries after Mandeville wrote *The Fable of the Bees*, England remained a major player of the European competitive states system. External defense was a paramount concern to the English state. The English commercial class

¹⁴ Refer to North and Thomas (1973, 146-156).

¹⁵ Refer to 郭沫若 (1984, 179-187).

¹⁶ This argument is shared by the classical economist. Refer to Rosenberg (1963, 187-191) and Chalk (1966, 12).

¹⁷ Refer to Rashid (1985, 316), Rosenberg (1963, 183) and Chalk (1966, 1-2, 12).

¹⁸ Refer to Chalk (1966, 1-2, 5, 15-16) and Dew (2005, 151-152, 154-156).

¹⁹ Refer to Dew (2005, 152).

²⁰ Refer to Bernholz et al. (1998) and Teng (2014).

played a dominant role in English politics since the wealth and skill of the commercial class were needed for England to fare well in her rivalry with other European great powers. The incorporation of the commercial class into politics through the parliamentary system further integrated the interests of the commercial class with that of the state. There were therefore many inquiries into the causes of wealth and power of nations. The search for the causes of wealth and power of nations spurred scientific and economic inquiries. Consequently, the line of economic analysis pioneered by *The Fable of the Bees* was inherited by the classical economists.

The historical background of *Chi-mi* (and *The Book of Guan Zi* as well) was very different. Historians do not know exactly when the essay *Chi-mi* (侈靡) of *The Book of Guan Zi* (管子) was written. Most of the researchers believe that *Chi-mi* was written during the early Western Han Dynasty (206 BC – 24 AD) while some think that it was written during the later part of the Warring State Era (475 BC – 221 BC) or Chin Dynasty (221 BC – 206 BC).²¹ However, it is certain that *Chi-mi* was written during the formative period of the imperial tradition of China, that is, from the later period of the Warring State Era through the Chin Dynasty till the early Western Han Dynasty.

Imperial China greatly worried about the power of the feudal lords, high ranking officials and rich merchants. How to control the powerful aristocrats and officials and rich merchants was a major concern for the central government and imperial house. Consequently, centralization of power and repression of commerce and the merchant class was the mainstream policy of pre modern China.²² The Western Han Dynasty, for instance, adopted the suppression of commerce and the commercial class as state policy. This intentional suppression of commerce and merchants class by Western Han Dynasty and later Chinese governments had a political rationale. The purpose is to ensure and tighten the grip of the government on the society. The merchants, given their exposure, skill and wealth, were considered detrimental to the imperial order. For instance, the founders of Western Han dynasty were all of commercial or urban background. The imperial house therefore undertook measures to prevent another dynastic turnover.²³

A careful reading of *Chi-mi*'s advocacy of extravagance, as done in the previous section, reveals that the primary objective of *Chi-mi* is not to strengthen the economy. It is to strengthen the ruler's control over potential internal rivals and to enable him to assert his dominance over the other states so that he may become a true king. The ruler himself must not overindulge in extravagance. The intended audience was the imperial house. The concern for maintenance of political control and the practical aspect of statecraft permeates the *Chi-mi* essay, *The Book of Guan Zi* as well as the other works of the School of Statecraft (or Legalism).

Chi-mi is essentially a work of statecraft or political art and strategy of manipulation. It was part of *The Book of Guan Zi*, a major work of the School of Statecraft (or Legalism), the school of thought which significantly affected the imperial tradition of China. Most of the works of the major Chinese schools of thought, including the School of Statecraft, were written during the Warring States era of China, BC 481 to BC 221. From BC 772 until BC 221, China was without an effective central government. BC 772 to BC 481 was termed the Spring and Autumn Era. During the Spring and Autumn Era and the Warring States Era, feudal lords or regional powers constantly jockeyed for power and influence. The rivalry among different states was especially intensive during the Warring States era. This was quite similar to the competitive states system of early

²¹ Refer to 郭沫若 (1983, 145-193) and Rickett (1985, 3-24).

²² Refer to 劉伯蘭 (2003, 106), 劉顏東 (2004, 137) and 陳小葵 (2008, 22-23).

²³ Refer to 劉伯蘭 (2003, 107-108), 劉顏東 (2004, 137) and 陳小葵 (2008, 22-23).

modern and modern Europe. Under such competitive states environment, both economic activities and intellectual inquiry had larger room of freedom from the control of a centralized unified authority.²⁴

During this period of political fragmentation, no school of thought had an intellectual monopoly, including the School of Statecraft. The major intellectual rivals of Legalism were Confucianism, Moism and Philosophical Taoism. Confucianism, Moism and Philosophical Taoism advocated frugality. Confucianism was especially a powerful intellectual rival. Confucianism was the traditional thought and education of Chinese aristocracy existed since the founding of Zhou Dynasty, BC 1066. It had a powerful grip on the thinking of intellectuals and statesmen. However, since the demise of central authority from BC 481 onwards, statesmen were looking for new intellectual guidance for their pursuit of power and wealth in a world of competitive and warring states. Legalism, Moism and Philosophical Taoism were all the products of that search for new ideological guidance. Legalism, as well as Moism and Philosophical Taoism, were rebels against Confucianism. *Chi-mi* was the product of such intellectual rivalry. *Chi-mi* was a chapter in *The Book of Guan Zi*, a major piece of work of Legalism. Legalism stressed practical statecraft and relentlessly challenged the teachings of rival schools. By arguing for extravagance in consumption as a means to stimulate production and exchange, as well as a way of practical statecraft, *Chi-mi* was assaulting the teaching of frugality of the other three rival schools in general, and Confucianism in particular.²⁵ This was very similar to the role Mandeville played in the intellectual history of England. Mandeville was a major figure in the rebellion against the dominant ascetic teaching of Christianity.

However, since B.C. 200, China had been under the rule of a unified empire for most of the time. The intellectual rebellion against Confucianism ended soon after the Western Han Dynasty was established. The Western Han government crowned Confucianism as the orthodox doctrine of Chinese thinking, a practice to be followed by all unified dynasties later. The preaching of frugality by Confucianism in both private and public spheres soon made *Chi-mi* a heresy. Confucianism concerns mainly with morality, not practical statecraft or economic inquiry. Consequently, an economic science such as that of classical economics failed to emerge in imperial China as the Chinese intellectuals self indoctrinated themselves in the way of the sages for a career in the officialdom. The sophisticated economic reasoning put forth in *Chi-mi* was therefore forgotten by the Chinese for over two thousand years.

Conclusions

In sum, *Chi-mi* was a work of statecraft aimed to strengthen the rule of the sovereign domestically. It aimed to decrease the wealth and power of high ranking officials and feudal lords and rich merchants by luxurious consumption on their parts. However, a unified imperial China soon enshrined Confucianism as state orthodoxy and stifled Chinese minds. Consequently, the sophisticated economic reasoning of *Chi-mi* was largely forgotten in pre modern China. In contrast, *The Fable of the Bees* aimed to liberate consumption and economic activities and thoughts from religious and moral restraints. It was an intellectual product of a politically and culturally liberal nation within a competitive state system. The economic reasoning of *The Fable of the Bees* was soon extended and refined by other inquires into the causes of wealth and power of nations within that competitive state system.

²⁴ Refer to Bernholz and Vaubel (2004) and Teng (2014).

²⁵ Refer to 郭沫若 (1984, 185-187).

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