

First Prize Essay Winner

The Development of Professional Ethics during China's Progress toward a Market Economy

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SUMMARY

This essay describes the problems in China's professional ethics today. It traces their causes, then analyzes and seeks appropriate measures to solve them.

The current problems in professional ethics are characterized by their pervasiveness, conspicuousness, and severity. Their causes can be found in both internal and external pressures, and the social and cultural environment of a changing society in China. In conclusion, the essay offers a way of thinking and proposes appropriate measures toward the establishment of professional ethics on the development of institutions, culture, and a clean government.

Since the reform in the late 1970s, Chinese society has undergone the most dramatic structural changes in modern times. These changes have brought to China great prosperity, progress, and dynamism, but, accompanying these changes have been social disorder, particularly the deterioration of morality. In recent years, not only has the pervasive lack of concern for public interest been disconcerting, but the problems of professional ethics have become quite serious. The current conditions of unethical behavior have caused strong dissatisfaction among the public and deep concerns of the educated. We need to study and understand in depth the problems of professional ethics and analyze their causes from a historical perspective. Using this as the foundation, we must seek feasible measures that can be implemented to develop and improve professional ethics. This undertaking will have important significance for the healthy development of China's economy and society.

I. China's Current Problems in Professional Ethics

It is a universal fact that individuals can survive only in the collective body of society. A person with ability to work can survive if he acquires the necessary skills to participate in a particular line of work. In a modern society where division of labor is highly developed, occupational collective bodies have the utmost importance in people's lives. When individuals are grouped into occupational collective bodies, they not only share commonality with members inside and outside of groups, but also face differences and conflicts of interest. To rein in these differences and conflicts so that the occupational activity and the life of the entire society can be maintained and developed, appropriate measures are necessary to regulate and control individual activities.

Besides institutional and legal constraints, the other most effective control measure is professional ethics. As a moral requirement that calibrates the relationships of individuals in their occupational activities, professional ethics has the same stature as familial ethics in the life of the family and as social ethics in the functioning of society. It is also instrumental in the regularity and harmony of various occupational activities in society. Therefore, as an important means of social control, professional ethics mirrors the occupational life of a particular society at a particularly stage of development as well as influences the development and the changes of the occupational life and even of the entire society.

The problems we currently face in China in professional ethics are multifaceted. That which evokes the strongest reaction from the public involves two kinds of collective bodies: one, different levels of the society's public workers; and two, industrial and commercial workers, service industry workers, and cultural and media workers, who are intimately related to the market economy.

In recent years, the most conspicuous professional ethics problem with public workers in positions of power and influence has to do with corruption in certain departments and areas. The main job of public office holders is the role of the law enforcer in social life, and the basic professional ethics of public office holders is to enforce the law objectively. Corruption directly tramples on the professional ethics of public office holders and transforms the power of the office to private "capital" in search of personal profit. In recent years, the primary focus of such corrupt behavior has been in the use of official power to garner the maximum economic gains for the individuals involved. Examples include accepting bribes, manipulating the law for private gains, misusing official powers, and moral degeneration.

According to statistics, the crime rate has been on the rise in recent years among the officials above the county level and the officials in the public power center of the "Three Organizations and One Function" (i.e., the Party, the judiciary, the executive and law-enforcement agencies, and the economic management function). For example, the nation-wide number of investigations of corruption and bribery of officials above the county level doubled from the period of January through August, 1993, to 1,267 persons a year later,¹ and rose to 1,552, for a 22.5% increase in 1995.²

The crime of malfeasance involving a group of high officials led by former Mayor Chen Xitong, and Vice Mayor Wang Baosan of Beijing shocked the entire country. According to the Fourth National Survey of Occupational Practices at the end of 1994, the eight bad practices most resented by the public were all directly connected with the corruption of public officials and power holders: entertaining wastefully with public funds; "no personal favors, no service;" charging illegal fees; using official powers to exact money or gifts; imposing illegal fines; allocating illegal "contributions;" foreign travel paid by government funds; and Party and political organizations and personnel appropriating, without compensation, funds and goods that belong to subordinate organizations.

In 1995, according to the Survey of Citizens on the Cultural and Consumption Trends of the World, 39% of the Chinese citizens placed priority on a clean government, second only to inflation (66%), whereas citizens of other countries focused on issues such as law and order, unemployment, environment pollution, inflation, AIDS, and so on. Only two other countries, Italy and Brazil, placed such high importance on the issue of a clean government.³ Furthermore, according to the Survey of the Development Status of Chinese Urban Youths, conducted by the Chinese Youth Research Center, nearly 90% of the youth surveyed believed the situation of corruption was "very serious" (39.76%), or "relatively serious" (49.58%).⁴ The popularity of new folk songs such as "Hat big and wide, rolled up on both sides; devouring the plaintiff and then the accused" testifies that the phenomenon of corruption and malfeasance of the power class has become a major public enemy in contemporary China.

The most notable professional ethics problem in industry, commerce, service and cultural media have been widespread imitation of products, and fraud. Being the mainstay of market activities, people in these lines of work have special social responsibilities. They must adhere to the principle of fair exchange and,

through the market process, meet prescribed standards of quality and quantity. The problems of professional ethics in these fields manifest themselves in deceitful practices to seek unreasonable amounts of profit, while disregarding the interest and the bodily safety of the exchange partners and consumers. For instance, according to the test results of 212 brands of liquid nutritional products published by the National Bureau of Technical Supervision in early 1995, only 21 brands, or a mere 9.9%, met 70% or more of the standards. Of the "market basket" of products sampled by the National Bureau of Technical Supervision in 70 cities, 73.7% met the average standard, while 15.5% were judged to be of "bad quality." In sample surveys of optical products conducted by the same Bureau in the second quarter of 1995, the percentage of products passing the test was only 34.6%.⁵ Hospitals demanded "personal rebates" from sellers of pharmaceutical products and "red envelopes" for patient services; transportation, postal and telecommunications agencies and schools trumped up excuses for collecting fees; newspaper reporters asked for compensation from those interviewed; actors and actresses faked their singing in performances and demanded sky-high compensations; etc. These phenomena have become pervasive in social occupational activities in China. In summary, the following are the characteristics of professional ethics problems in China today:

1. The pervasiveness of the problems.

The professional ethics problems are not restricted to a handful of occupations. They are contagiously spreading to many occupations.

2. The ethical problems in certain occupations are more conspicuous.

These occupations are in fields where relatively powerful authorities operate under little effective control and supervision, such as plant managers, general managers, and government officials. Others are created by the market economy, but lag in institutional development, such as the stock exchange, the futures market, and the real estate business. And occupations which are intimately tied to the market and consumers, but where regulations of their activities are not sound, such as farming, medicine, food, the service sector and the performing arts.

3. The social consequences caused by these professional ethics problems are severe.

The corruption of government officials not only causes the loss of credibility and efficiency of government leadership, but also shatters the sense of loyalty, honesty and responsibility. It corrodes all aspects of social ethics and destroys the foundation of social justice and the legitimacy of society. Furthermore, unethical behavior in other occupations not only increases the costs of social exchanges and value realization, but also destroys the requisites of promise keeping and credibility, upon which the survival of the entire society depends.

II. Causes of Today's Professional Ethics Problems

The causes of these problems may be viewed from two perspectives: one, the reality of social transformation which China is currently undergoing, and two, the development of occupational diversification and professional ethics in China.

First, China's current social transformation has major impact on the problems of professional ethics. Concretely, they are manifested in the following four ways:

1. The drastic increase of material needs experienced by members of all social occupational groups has created an internal pressure on professional ethics.

History has shown that the prerequisite for a society's prosperity is enthusiasm for work by the majority of the population. Therefore, a society must have its own system to generate motivation. In congruence with highly politicized social goals before the reform, a social idealism and moral practice aimed at achieving political goals were recognized as the universal driving force for the masses. After the reform, with attention focused on the serious deficiencies of the old motivation system, the source of social dynamism has undergone fundamental changes. In consonance with society's goal of developing a market economy, the basic driving force of social development no longer relies on moralistic callings such as restraining one's self interest for the benefit of the collective interest. Instead, the driving force now depends on the desire for material wealth to benefit oneself. The motivation mechanism based on this new value system has brought to China phenomenal development in the past two decades, because it agrees with human nature and China's goals for economical development. But, the desire to benefit one's material wants is like a powerful monster. It could also take on a life of its own, growing and trampling down all social constraints in the process, or it could be harnessed to bring about social prosperity. Ethical behavior depends on external regulations (through public opinion), on morality, and most importantly, on self discipline. When people are tempted by easy profits and self-interests, other core elements of professional ethics such as discipline, obligations, and credibility quickly become the first victims to be discarded.

2. The real-life examples of the newly rich, especially those whose fortunes are ill gotten, form an external force to ignore occupational morals.

One of the important social phenomena created by China's economic reform is the rapidly growing disparity in the distribution of wealth. According to a 1995 report, of the RMB 2,151.8 trillion bank deposits at the end of 1994, 40% of the deposits belonged to the 10% of the population at the highest income level, while only 3% belonged to the 10% of the Chinese population who were classified as "poor." The disparity between the poor and the rich in China has exceeded that in the United States, according to a national survey conducted in 1994 by the Social Survey Center of the People's University. The same study also showed that this disparity was growing at the rate of 10% a year.⁶

The problem does not lie only in the disparity of income but, more importantly, in the inequitable distribution system which caused this income disparity in the first place. Reality tells people that many of the new rich have amassed their fortunes not through their talents and diligence, but through their social connections, the positions they have, or other factors which are not related to the quality and quantity of their own labor. This phenomenon cannot help but create in other members of the society a sense of exploitation. The general public who are upset find it difficult to seek self-realization morally in their occupational activities. Consequently, they feel no sense of responsibility, start to follow the model of the new rich by discarding the constraints of professional ethics, and seek self-gratification through immoral means.

3. An inadequate legal system, characteristic of a society in transition, creates insufficient deterrents for unethical occupational activities.

The planned economy and the market economy are not only two substantively different ways of resource allocation, they are also two substantively different ways of social control. For market economies, there is a serious problem: How to stimulate individual's material wants and use it to promote productivity, and at the same time, effectively curb and prevent self-interest from hurting the interests of others and of society? Generally speaking, in societies not in transition, there is usually a set of measures of effective social control with a high degree of orderliness. But a society in transition is in the process of abolishing the old and establishing a new order. The old social control system is fast losing its deterrent effect, while a new and sound social control system is still being established. Unethical behavior arises because the society provides plenty of temptations but has insufficient punishment and controls to deal with such

behavior. Thus, a "system vacuum" is created, which makes it possible for individuals to gain advantages at the expense of those who do not. Most people are "economic beings" and not sages. Given the special "situations" created by the inadequate legal system of a transitional society, people readily choose to take advantage of the "system vacuum" most befitting their own self-interest.

4. The confusion over cultural values, characteristic of a transitional society, leads to tacit approval of unethical occupational activities.

Different social systems need, and have, different cultural values, including work ethics. Therefore, inevitably there would be structural changes in social and cultural values in the transition from a planned economy to a market economy. During the transition, the importance of the old core cultural values decline, while those of the market economy rise rapidly. At the same time, together with the multiple economic systems and interests of a market economy, there arises a condition of many different cultural values and thoughts, resulting in a period of cultural value confusion in China. On the one hand, people approve the modern values of respect for individual self-determination, equality, and the efficiency of a market economy; on the other hand, the supremacy money, self-interest, and the principle of equal exchange applicable to all aspects of society also has a broad social basis. In occupational activities, workers change work units which offer more attractive compensation (known as "jumping to a different stable") has become acceptable, and to some extent "no favors, no service" is tolerated. Thus, the confusion of cultural values has created disorder in professional ethics, which in turn has led to increasing occupational misbehavior. Moreover, the underdevelopment of occupation and professional ethics in China is an important contributor to the current problems.

There are two definitions of occupation: In a broad sense, it is the way of making a living. In a strict sense, it is an independent and specialized social activity based upon division of labor. The measuring yardstick for the level of occupational development in the narrow sense is the degree of separation between occupation and family, and the status of occupational activities in society. The concept of professionalism, which includes professional ethics, reflects how a particular profession is viewed. To better understand the problems in professional ethics, let us compare its features in an agrarian society with those of an industrialized society. In the former, the fundamental division of labor was within the family: "the man tilled, and the woman wove." The level of division of labor was low, and the conceptualization of occupation and professional ethics was correspondingly low. Professional ethics was a form of family ethics. In an industrialized society, division of labor is highly developed, requiring the same for occupation and professional ethics. The concept of occupation and professional ethics is separated from family ethics and achieves a status of significance not attainable in an agrarian society.

In a market economy, professional ethics has special importance. Besides contributing to "social integration," as explained by French sociologist Dilcome (phonetic) in *The Theory of Division of Labor in Society*, it also has social economic values. As is well known, survival of the fittest is the basic rule of the market. The primary significance of professional ethics in a market economy is its value as a tool for market competition. In other words, its economic function is to enable the best product and better service to obtain greater market opportunities and larger market share. Recognizing the importance of the concept of professional ethics in modern society, Max Weber in his book, *The Protestant Ethics and the Spirit of Capitalism*, analyzed in depth the changes in the concept of occupation during the Protestant Revolution and the significance of these changes to modern capitalism. It can be said that after several hundred years of development of capitalism, the sanctification of occupational within the confines of professional ethics have penetrated and become internalized in people's hearts in the industrialized societies. In contrast, China has not been baptized by the industrial revolution. In addition, the long period of planned economy has deprived the concepts of occupation and professional ethics the proper social soil to grow and develop. This explains why the people in China have always relied on the concepts of the family, political and social ethics, and do not have a clear sense of professional and work ethics. Therefore, when discussing the current problems of professional ethics in China, we must not overlook the historical reasons for the underdevelopment of those concepts.

III. Construction of Professional Ethics in China Today: Thoughts and Strategies

The First Thought:

The prominent problems of professional ethics in China today are created by both historical and current factors. Solutions are needed not only to remedy the historical deficiency, but are also urgently needed for the construction of a socialist market economy.

The market economy needs market ethics and above all a modern concept of occupation and professional ethics. Professional ethics is essential to the market and social order, as the regulator of individual occupational behavior, a guideline of occupational inter-personal relationships, and a foundation for social cooperation. Hence, we must approach the problems of the construction of professional ethics in China today from the perspective of the construction of a market economy and the realization of long term stable growth.

The Second Thought:

To seek solutions of the problems of professional ethics is a long-term task; it requires long-term measures as well as a sense of urgency. The problems of professional ethics are not isolated problems. On the one hand, they are a part of the society's ethics and culture, and as such are restricted by the development of the entire social and cultural value system. At the same time, they are related to the socio-economic environment, institutional development, and social history. Hence, construction of a set of professional ethics well suited to China's market economy, that is acceptable and can be implemented by all occupational collective bodies, is not an overnight task. On the other hand, the severity of the problems of professional ethics today indicates that urgent steps must be taken to solve these problems. Society must pay sufficient attention and take strong and effective measures, so that professional ethics will make significant progress in a relatively short time.

The Third Thought:

Besides concrete measures, solutions of professional ethics problems must begin with institutional construction. China's current problems of professional ethics involve not just a few people or a few occupations, but are pervasive. They are unavoidable consequences of the immaturity of China's institutional development. In other words, in the present institutional structure, there exist conflicts between the rationality of individual behavior and the irrationality of social functioning, between the rationality of short-term and the irrationality of long-term behavior. Therefore, we must minimize these conflicts so that the occurrence of occupational misbehavior can be reduced through the improved design and construction of institutions.

Recommendations

Based on these thoughts, I offer the following concrete recommendations for the construction of professional ethics in China today:

1. Strengthen the construction of the market system and the legal system, and use reward and punishment to strengthen the concept of occupation and

professional ethics.

That participants in economic activities are "economic beings" of limited rationality is a theoretical premise of a market economic system. Since professional ethics is oriented toward the market, the construction of professional ethics must make all market participants clearly aware that their professional ethical conduct is intimately tied to their own interests. All professional collective bodies must understand that whether or not their occupation or their unit will receive social recognition and higher prestige will depend on how well they have developed a moral code of conduct to effectively control the members of the occupation. Each individual worker must realize that his occupational future depends directly on his moral commitment toward his occupation and his fulfillment of this commitment.

2. Reaffirm appropriate values of ethics, and construct professional ethics on a new pivotal point.

Professional ethics is closely linked to the cultural value system. Specifically, the society's core values frequently determine the moral characteristics of occupational activities. For instance, when Communism was the core ideal value for everyone in China, the professional ethics of industrial workers, farmers, people in commerce, students, soldiers, government workers, and people in all occupations and walks of life were guided and regulated by the ideal values of Communism. Because of the dual nature of worksocialized (benefiting the public) and private (making a living for the individual)the ideal values in the construction of professional ethics of a market economy must be relevant for the masses. We need to depart from the traditional thinking of "the dichotomy between righteousness and personal interests," and construct professional ethics by tying individual interests as closely as possible to the public interest. Thus, members of society can only achieve personal interests effectively by benefiting, and not harming, the society. This is the pivotal point upon which to construct a new professional ethics.

3. Focus on the construction of a clean government, rectify and eliminate corruption, and rebuild professional ethics.

The problems of professional ethics in China are widespread. Government workers, among all occupations, are in the power center of society, and whether they obey the law and conform with professional ethics has a key impact on social morals. Therefore, our first step is to establish a clean government. We should establish institutions with punitive powers, strengthen supervision and increase accountability, and put a stop to the growing corruption of government officials. Once this is accomplished, we can use the momentum to restore and reconstruct professional ethics and wholesome business ethics that are appropriate for the market economy.

Author's Footnotes

1. Society Blue Paper: Analysis and Forecast of Chinese Social Situations, 1994-1995, China Social Science Publishing Company, 1995, p. 137.
2. Society Blue Paper: Analysis and Forecast of Chinese Social Situations, 1995-1996, China Social Science Publishing Company, 1996, p. 99.
3. Beijing Youth Daily, August 30, 1995.
4. China Youth Daily, January 21, 1995.
5. Society Blue Paper: Analysis and Forecast of Chinese Social Situations, 1995-1996, China Social Science Publishing Company, 1996, p. 234.
6. Ho Chin-lien, "Wealth and Poverty -- A Stratified Analysis and Commentary of the Current Status," Eastern Magazine, 1995.