

Don't Worry About
Missing Pod Cast From
1st Lecture. Most Mid-
Term Questions Deal With
Weeks 2-3 And Anything
Necessary For Mid-Term.
Questions Can Be Taken
From Ted Notes

I. Proper Order As Elite Regulation

A. *Mercius*: *Re King Sam*
The Ox

B. The Dangerous Potential
of Unregulated Elites

1. Vicious (Coercive) Rule

2. Incompetent Rule

3. Corrupt Rule (Manipulative)

C. Risk Potential of Elites; Elites

Are 1. Necessary To Make and

Enforce Collective Decisions,

Provide Examples Fr. "Subjects"

2. Dangerous Because Elites Do
Not Bear the Full Costs of Their Choices

a. example - Excessive Taxation

C.3 Comparatively, Eliders are
Insured Against the Costs of
Bad Behavior Because They Can
Shift Costs to the Ruled (Mencius)
4. This is Moral Hazard
Moral Hazard - The Greater
The Insurance Against Bad
Behavior, the Greater Potentially
Are Incentives for Bad
Behavior (example: Fire Insurance)

5. Opportunism. Opportunities
for Predatory Behavior -
(Cheats. Don't, for example)

D. "Mechanisms" That Can
Reduce Opportunism And
Bad Behavior

1. Market Competition
2. Law And Regulation
3. Moral Character

E. Given that Political
Institutions tend to Monopoly
and Do Not Face Market Pressure,
Confucius Focus on Regulation
and the Development of Moral
Character (Moral Education)

F. Elite Regulation Requires
Both Law and Moral Character
(Material and Moral Incentives)
Why?

G. No Law Can Prevent Opportunism
H or Eliminate the Opportunities
For Corruption (Who Rules
the Rule Makers) - Those who
Create Law Can Create Corruption
Bad Law
I. Only Moral Character Can Solve the Problem

(21)

~~The~~ The Issue of Moral Character

1. Bad Character Leads To
Bad Decisions

2. Bad Character Leads to
Hypocrisy & Therefore
Undermines Trust but
Trust Is The Foundation
of All Political/Code.

a. Confucius - Weapons,
Food, Trust

3. Bad Character Should Be
Punished - Not
Rewarded

a. This Is An Aspect
of Justice

II. The Confucian Solution To The Problem of Elite Regulation

A. Material Management -
Incentives - linkage of Status,
Power And Wealth To Social
And Political Service

1. The Civil Service

Examinations (Prestige Passageway)

2. Local Social and Political

Service - Creation of A Local

Service Elite that Negotiates

On Behalf of Local Interests

And Engages In Political Function

(Example: Dispute Resolution)

A.3 The Origins of the Greatly
(Shen shi, Yangban, nobles)

As Service Elite with And

Informal / Role of Tied

to Service by the Incentive

of Enhanced Status, Power,

and Wealth for their Families

By (A) Performing Service

(B) Entering Elite Marriage
Networks

A.4 The Service Elite Is

Not a Class But a Performance

(Multi-Class Origins); Local

People Turn to Local Service Elites

On the Basis of Reputation for Service
(Handling lawsuits, disputes, etc.)

II. B. Moral Management

4 The Inculcation of A
Savre Ethic In Elites Through

a. Ritualization (Teaching
Morality)

b. Moral Education
(Private Academies)

c. Self-Cultivation

III. Lasting Legacies

A Acceptance of Strong
Elites, But Rational Distrust
of Elites

B. Character As Key To "Good"
Elites

C. Two-Part Regulation of Power
Character of Institution

* The Problem of Elite Regulation

A. How Do We Prevent Elites From Abusing Their Power For

Personal Gain (High Benefits, Low Costs) At the Expense of the Governed (High Costs, Low Benefits)

1. Law And Regulation - But Costly (Layers of Bureaucracy)

2. Vanity (The Politicians' Legacy)
- Too Variable - Democracy

3. Anarchy (No Elite) - Is This Possible -

4. Moral Sensibility - Categorical Morality (Don't Do It, Period.)

5. Confucius On The Superior Person

a. The Problem with Utility (Situational)

5. Discretion Requires Strong Moral Character

* Utility -

A. Pain and Pleasure;
Subjective Satisfaction of
Preferences

B. Objective or Subjective

1. Subjective - WANTS

2. Objective - Needs

C. Confucian Utility -
Objective

1. Family

2. Achievement (Honor, Face)

D. Making Things Better-
Off. How Do you know

1. Requires Objective Standards

2. Be Problem with Law - (Correct for
Feel Good)

Lord Acton:

"It is the tendency
of Power to Corrupt, and
Absolute Power Corrupts
Absolutely."