

Market Economy and the Revival of Religions

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At a spacious McDonald's restaurant in a skyscraper in a southern city of China, several dozens of young people gather around tables in a well-lit corner. With drinks and hamburgers in hand, they are engaging in serious discussion. Indeed, they are in Bible study. At each table, a leader, surrounded by five to ten people, raises questions and responds to inquiries according to a manual. As a matter of fact, there is a table for each of the twelve progressive lessons of the "Timothy Training Course," beginning with the introduction of basic Christian beliefs and ending with the lesson of instruction on sharing the "Good News." Progressing through the tables at weekly gatherings and graduating from the course within three months, one would become not only a new person, a Christian, but also an evangelist equipped to recruit and convert others. The standardized efficiency is just like that of McDonald's.¹

This kind of group activity is illegal in China today. Government regulations require all religious activities to take place only within designated religious premises approved by the State Administration of Religious Affairs. Eventually, the weekly gatherings of up to 100 people at this McDonald's caught the attention of the police, who then raided the restaurant one night and took all the participants to the police station. The leaders were sifted out through interrogation and ordered to sign a pledge form to be released on bail or face extended detention and additional penalties. After midnight, the leaders finally complied and wrote down on the form, "We promise not to meet for Bible study at this McDonald's again." This satisfied the police, and the evangelists kept the pledge without stopping their Bible study gatherings. "We indeed stopped gathering at *this* McDonald's," a young man told me when I conducted interviews in summer of 2000, "but there are dozens of them in this city." A big grin glowed on his face.

The "Golden Arches" of the McDonald's restaurants have become commonplace in Chinese cities, often conspicuously dotting the rapidly changing skyline. McDonald's is a symbol of the increasing presence of the globalized market economy throughout China. Only three decades ago, China maintained one of the

most stifling centrally planned economies under Communist rule, with a total ban on market exchanges.

During the decade of the Cultural Revolution (1966–1976), the Constitution of the People's Republic of China retained the article of freedom of religious belief, but in reality the constitution was shelved under the party-state dictatorship. Revolutionary authorities carried out the harshest suppression ever seen in the Communist bloc, banning practically all religions throughout the country. In the Soviet Union, a small number of Orthodox Christian churches remained open throughout the Soviet period. In China, however, all churches, temples, and mosques were closed down at the onset of the so-called Cultural Revolution in 1966.

In 1978, under the new leadership of Deng Xiaoping, the Chinese Communist Party launched economic reforms, gradually moving toward a market economy integrated into the world. The ban on religion was lifted in 1979, and a carefully selected number of Christian churches, Muslim mosques, and Buddhist and Daoist temples were given permission to reopen. Since then, all kinds of religions have revived, and many are thriving despite the restrictive regulations on religion. The economic reforms toward a market economy have been accompanied by a growing interest in religious practices.

How much of the revival of religions in the last few decades is fueled by the economic transition? In turn, what roles do religions play in the market economy or in the transition toward a market economy? In this chapter, I will describe the economic and religious changes in the last few decades and analyze the interactions between religion and economy. It appears that the transition toward a market economy has generated greater spiritual needs and desires among individuals. The globalizing market has created greater social space for religious practices, and, as the opening vignette indicates, religious organizations and individuals have creatively provided religious services in spite of various constraints. In the final part of this chapter, through a discussion of the Weberian theme of religious ethics and the spirit of capitalism, I will consider the debates on the degree to which China's Confucian heritage or religious culture positively or negatively affects the development of capitalism in Chinese societies.

The Centrally Planned Economy and Religious Repression

Before the establishment of the People's Republic of China in 1949, there were all kinds of religions, ranging from the world religions of Buddhism, Christianity, and Islam to myriads of sects and folk religious communities, to innumerable spiritual practices of individuals and families, as described elsewhere in this book. After 1949, the economy was gradually centralized and religion was increasingly suppressed. In the first decade of Communist rule, China went through a process of economic collectivization, violently suppressing resistance from the so-called exploiting classes of landlords and capitalists. The means of production, in

Marxist terms, which includes everything from farms to factories, tools, machines, transportation, communications, and so on, all became either state owned or collectively owned. Factory and service workers were organized into work units. Farmers were organized into People's Communes and production brigades. The state made annual and five-year economic plans regarding what to produce, how much to produce, and who would produce what and where. Any residual economic activities outside the state and collectives were treated as "capitalist tails" to be chopped off.

Along with the collectivization process, the five officially recognized religions (Protestantism, Buddhism, Islam, Daoism, and Catholicism) were coerced into forming "patriotic" associations under the close control of the Communist Party. Religious activities outside the premises of the five "patriotic" associations were suppressed, just like the "capitalist tails" in the economy. Other forms of traditional spiritualities were suppressed as "feudal superstitions" and other forms of organized religion were banned as "reactionary secret societies."

In the second and third decades of Communist rule, China continued to promote a centrally planned economy. During those years, under so-called socialist principles, everyone supposedly received comprehensive welfare from cradle to grave. In the cities, a job was guaranteed for everyone, and the job was assigned or reassigned by officials with or without the individual's consent. Housing was guaranteed, so to speak, and assigned by the work units. Education and health care were provided, and controlled, by the state through the work units and residential districts under the Communist Party. The rural areas had far fewer state welfare benefits, and these were left to the management of the collectives—the People's Communes and production brigades. Although there were periods of rapid economic growth and improvement of material life, the Chinese centrally planned economy was a "shortage economy" typical of Communist-ruled countries,² characterized by chronic shortages of consumer goods, long queues in shops, long delays in services, and shortages throughout the production process. Most of the essential consumer goods, ranging from food and meat to clothing and bicycles, were rationed. Rations were gradually phased out during the reform era.

The centrally planned economy claimed a high level of social equality and of certainty, which was believed to render religious beliefs unnecessary. Improvement of the individual's material life supposedly depended upon the planning and management of the collectives and the state, instead of on individual fate or supernatural forces. Meanwhile, once the collectivization process was completed in the cities in 1956 and in rural areas in 1958, atheist propaganda and ideological struggles against religious beliefs were intensified. Atheist propaganda was implemented throughout the school system, from kindergarten to college, and through the mass media. Consequently, people who grew up between the 1950s and the 1970s commonly had little experience or knowledge of religion except antireligious notions learned from atheist propaganda. The centrally planned economy provided the material basis for the effectiveness of ideological propagation.

Economic Reforms and the Reinstatement of Religions

After the death of Chairman Mao in 1976, the new leadership of the Communist Party began to acknowledge some of the failures of central planning. Toward the end of 1978, the new leadership under Deng Xiaoping ventured to launch economic reforms. Starting in the rural areas, farms were leased to families, who then made their own decisions regarding what to grow and what to do when. Except for a set amount of grain handed over to the state, farmers could sell their remaining products at the market. Subsequently, individuals in urban areas were allowed to engage in certain kinds of commerce, family-based workshops, and small-scale private businesses, which quickly filled the needs that the state-owned enterprises had failed to meet in the shortage economy. Ultimately, in 1992, at its Fourteenth Congress, the Chinese Communist Party officially pronounced that the goal of the economic reforms was to establish “a socialist market economic system.” While the meaning of *socialist* remains debatable, the transition toward a market economy has advanced rapidly since then. Market competition has been introduced in various industries and social sectors. Privately owned businesses and joint ventures of transnational capital have increased.

The transition from central planning to a market economy, in spite of numerous challenges and missteps along the way, has been quite successful, with continual rapid growth of gross domestic product (GDP). By the end of the 1990s, China’s economy successfully entered the “post-shortage period.”³ In 2001, China joined the World Trade Organization (WTO), marking the official integration of the Chinese economy into the globalized market. Since 2004, the Chinese government has repeatedly appealed to American and European countries in the WTO to recognize China’s economy as “a full market economy.” By 2005, about 65% of China’s GDP came from the private sector of the economy, while state-owned enterprises continued to monopolize the communication and energy industries and to dominate in transportation. The Chinese Communist Party itself has also undergone far-reaching changes, including opening its doors to admit capitalists into the Party, even though the proletarian rhetoric remains in CCP official documents. By 2008, the rising entrepreneurial class had grown large enough to be recognized as a “new social class” in official discourse, and admitted as a new political force in the National People’s Congress and the Chinese People’s Political Consultative Conference.

As the country embarked on the economic reforms, the CCP adopted a policy of limited tolerance toward religion in 1979 in order to rally all social forces for the central task of economic development, as described in the previous chapter. Once religion was reinstated, however, it charted its own course of development and has grown continuously in the last three decades. The revival of religions has been widespread throughout the country. Evidently, the economic and social changes have rendered the restrictive regulations ineffective.

The Revival of Religions despite Restrictive Regulations

Document No. 19 (1982) acknowledged the failure of Cultural Revolution efforts to eradicate religion. Chinese government sources state that in 1956 there were about 3 million Catholics, 0.8 million Protestants, and tens of millions of Buddhists and Daoists.⁴ These are the only available national estimates of the numbers of religious believers prior to the Cultural Revolution, when all religions were banned. Religious believers were again counted after the Cultural Revolution, however, and by the time of Document No. 19, the number of Catholics remained the same—about 3 million, the number of Protestants had multiplied to 3 million, and there were many Buddhists and Daoists (it is difficult to find specific numbers of Buddhists and Daoists due to the lack of formal membership in these religions).

A decade after Document No. 19, the Chinese government's 1991 *White Paper on the Status of Human Rights in China* reported that Catholics had increased to 3.5 million and Protestants to 4.5 million. Only a few years later, the new estimates were about 4 million Catholics and more than 10 million Protestants.⁵ Moreover, nongovernmental or non-Chinese sources gave even higher estimates: about 12 million Catholics and as many as 50 to 70 million Protestants by the end of the twentieth century. Meanwhile, Buddhism, Daoism, and folk or popular religious beliefs and practices have also revived, even though it is difficult to estimate the numbers of believers (see chapter 10).

The Market Economy Fuels the Revival of Religions

Rapid industrialization, urbanization, and globalization have accompanied the market transition over the last three decades. Products made in China—ranging from toys, shoes, and clothes to televisions, computers, and automobiles—have become more common in many parts of the world. While farmers have become factory workers, many rural towns have become cities. Meanwhile, the existing metropolises have constantly expanded. According to published Chinese government statistics, the urban population increased from 17.9% in 1978 to 30.1% in 1998, and to 44.9% by 2008.⁶ In other words, there are 594 million urban residents in China today, which is almost double the total United States population. In addition, there is the “floating population” of about 150 million—migrant workers who move en masse to the south, the east, or the north in search of jobs in coastal regions or metropolises. Most of the migrant workers come from economically disadvantaged villages and are officially classified as rural residents. These “peasants-turned-workers” have been increasingly integrated into the globalized economy—working for foreign enterprises or producing for the markets in other parts of the world.

On the other hand, however, the market economy has also enlarged the gap in material wealth. The “iron rice bowl” of jobs at state-owned work units has been

smashed for the majority of factory and service workers. Both the state-owned and collectively owned enterprises have entered market competition. Subsequently, many workers have been forced to retire in their fifties with very little in retirement benefits, while many others simply lost their jobs when factories or companies were closed down or sold out. Housing has been privatized, and market competition has been introduced into education, health care, and other social sectors. The market transition has forced many people to struggle to find their own way to survive.

There are many factors that have contributed to religious growth during the reform era. However, the transition toward a market economy is the major contextual factor. Both the achievements and challenges of the market transition may have fueled the revival of religions.

First, achieving wealth in an emerging market economy drives people to seek supernatural intervention. During the period of the centrally planned economy, frugality and equality were treasured values. At the onset of the economic reforms, the authorities tried to unleash people's drive for wealth with the slogan, "Getting rich is glorious." However, with myriads of sociopolitical and natural constraints, it was difficult to reach the goal of getting rich by relying solely on one's own mundane efforts. Besides laboring hard and working through stifling regulations and personal networks, some people naturally appealed to gods or tried to manipulate supernatural forces for better fortunes. Conveniently, they fell back on Chinese traditional forms of worship. Once absent from public view, the god of wealth and other divinities have become ubiquitous at restaurants and private businesses throughout cities, towns, and villages.

Praying to the supernatural is practiced not only by people pursuing wealth; poor people who have lost job security and life certainty in the market economy also turn to the spiritual for solace and fortune. Consequently, fortune-telling, physiognomy (divination through analysis of facial features), glyphomancy (analyzing the parts of written characters), fengshui, and the like have become widespread. Many cities have a de facto "fortune-telling street" with dozens of fortune-tellers. There are millions of practicing shaman-doctors or spirit mediums. In the past, the authorities adamantly deplored and suppressed such folk beliefs as superstitions. During the reform era, the orthodox ideology of Marxism still dictates opposition to such beliefs and practices. However, the market economy has created a thirst for spiritual imagination beyond ideological control. This has affected even Chinese Communist Party members, despite the fact that they are required to be atheist according to CCP membership rules. A recent study by a researcher at the State Administration College has revealed that a majority of Communist Party and government mid-rank officials believe in some form of the foregoing practices.⁷

The uncertainty in the emerging market causes even people who have had good fortune to seek religious answers, as described in chapter 1. I interviewed a salesman for a pharmaceutical company who became a Christian. After graduating from a medical school he was assigned a job, but soon he quit that job and became a salesman. He told me that he could not understand why he had succeeded in the

perilous market while his former classmates or friends commonly failed. He would not believe that he was smarter or worked harder than others. "By chance or probability I should have failed too." On Christmas Day, 1995, he fortuitously stepped into a church.

The hymns were beautiful. They sang and sang and sang, without stop. Very interesting. I thought, wouldn't it be fun to come on Sundays to practice singing? The sermon was very good too. I understood it, although it was in the local dialect. It was very moving, touching my heart. So I began attending church regularly. As a matter of fact, I loved going to church. For a while, I went to church at least twice a week, by riding a bicycle for forty minutes each way, sometimes in rain.

The Christian activities were interesting to him and compatible with his lifestyle. But he also emphasized that Christians were elected and blessed by God. For him, this was a powerful explanation for his good fortune. After conversion, he quit smoking. He said he had tried several times to quit, but each time he ended up smoking even more. This time, however, it was actually without much struggle. "The cigarette simply became nauseating." He viewed this as another sign of God's blessings on him.

Evidently, for those who have accumulated wealth, the desire for religion or spirituality does not abate. While some have converted to Christianity, other entrepreneurs have become patrons of Buddhist and Daoist temples and monks, donating large amounts of money to build temples and provide for the monks and priests. For some, the purpose of such religious practices is to seek continual blessings in this world. For others, the purpose is to accumulate religious merits for the afterlife. Of course, there are also religious philanthropists who, fearing divine retribution, wish to compensate for the sins they have committed through their business activities in the primitive, chaotic, emerging market.

More important, regardless of whether they are rich or poor, people seek meaning in addition to physical and psychological health. In the centrally planned economy, meaning was supposedly provided by the Communist Party. Individuals struggling in the market economy, however, have to make personal choices, including formulating their own meanings or choosing among existing meaning systems. Therefore, many meaning-seeking converts can be found among intellectuals as well as among farmers, workers, and others. Some celebrities first made their religious conversion public, accidentally serving as role models for many others. For example, Ms. Chen Xiaoxu was once a very popular actress who played the beloved romantic protagonist Lin Daiyu in the classic novel-turned-television series *Dream of the Red Chamber* in the 1980s. By the early 1990s, she had become a very successful advertisement entrepreneur. By the end of the 1990s, she converted to Buddhism, and eventually, in 2007, became a Buddhist nun (and soon after died of cancer). Ms. Chen was but one of the entrepreneurs and celebrities who have made their religious conversion public, which commonly stimulated much public interest and open discussion in all sorts of media.

Second, besides the loss of job security and life certainty, the social structure during the transition toward a market economy has also undergone dramatic changes. During the period of the centrally planned economy, almost everyone had a clear affiliation with a work unit or commune. People worked, lived, grew, aged, were cared for, and controlled in such a collective. However, in the market economy people change jobs more frequently. The identification with the company becomes more transitory and the sense of belonging transient. Individuals struggling in the market not only seek meaning and comfort in spirituality, but many also look for new kinds of social belonging. Some religions and spiritual movements provide such an alternative collective identity and a better sense of belonging. This is an important reason for the rapid growth of Christianity throughout the reform era. Many observers point out the breakdown of the state-supported health-care system as an important reason for the conversion to charismatic Christianity, for such Christian beliefs highlight spiritual healing. Although this may be an important reason, it cannot explain why Christianity has grown faster than other religions, such as Daoism, that also offer spiritual healing. The more important factor, I think, is that Christianity provides a new form of group belonging and identity, which is absent in most forms of traditional Chinese religion. Within the Christian community, people express love and care for one another and support one another in crisis. Love and support often keep people in the group even if the physical healing does not happen.

During the market transition throughout the 1980s and 1990s, *qigong* was probably the most visible form of spiritual practice. The word *qigong* means, literally, “the power of *qi*” (air or breathing). Simply put, *qigong* is a form of physical exercise, meditation, and healing. The *qigong* phenomenon is not merely an individualistic practice for physical health, but also a form of social interaction among fellow practitioners. Falun Gong was but one of the largest *qigong* groups, which placed a strong emphasis on mutual emotional support and collective practice. Its rapid growth after 1992 was due at least in part to its increasingly religious overtones in a more receptive culture, at a time when the system of cradle-to-grave social security was being dismantled, thousands of work unit employees were being laid off, and the revolutionary morality was being cast aside for a merciless and often corrupt market culture.⁸ In 1999, the Chinese government banned Falun Gong and other *qigong* groups. After that, some followers “took refuge” at Buddhist temples or were baptized into Christian churches.

Third, in order to lure tourists and overseas Chinese for investment, some local governments have restored traditional temples and temple fairs. “Building a religious stage to sing an economic opera”—in other words, exploiting religion to develop the economy—was the plain intention of many local governments. In rural areas, many villages and towns have restored temples dedicated to historical heroes who have become accepted by the locals as tutelary gods. In Hong Kong, the Wong Tai Sin Temple was a flourishing folk religious temple built by refugees who fled the Communist mainland.⁹ All previously existing Wong Tai Sin temples in the main-

land had been destroyed before and during the Cultural Revolution. By 2001, however, at least a dozen Wong Tai Sin temples had been rebuilt in Guangdong and Zhejiang provinces. Most important, six of the ten temples documented in a 2002 work “were founded with the support and sometimes at the initiative of agencies of the local government.”¹⁰

The initial revival of religions during the reform era is largely the result of the central government’s shift from political struggles to economic development. To rally people of all walks for economic development, the government has allowed the restoration of a limited number of temples, churches, and mosques. Also because of the focus on the economy, some local governments have even actively engaged in restoring traditional religious temples in order to attract investment and tourism by overseas Chinese. Evidently, the purpose is not so much to ensure religious freedom and the constitutional protection of religious practices but pragmatic considerations for the central political goal of economic development. When religious activities get in the way of economic development, governments have discouraged them. When certain religious organizations have grown large and effective, and are perceived as threats to Communist Party rule or the government’s authority, they are unremittingly suppressed.

Creative Responses of Religious Believers to the Market Economy

Religious believers are not merely passive recipients of healing, meaning, and belonging. They are also active agents in the construction of belief systems, social networks, and religious organizations. Some believers rise to become leaders of religious organizations or spiritual movements. The market economy has both provided financial resources and created opportunities for this type of religious expression and expansion.

First, religious leaders and organizations in the market economy have had more financial resources to produce religious materials and provide religious services. The most evident phenomenon is the restoration and expansion of many temples, churches, and mosques. Throughout the 1980s, when the economy was in transition from the shortage economy, the restoration of religious venues depended heavily upon government appropriations and overseas donations. In the 1990s, however, more and more temple, church, and mosque construction projects relied on fund-raising among believers in China. Meanwhile, Buddhists, Christians, and *qigong* groups have provided audiovisual materials as well as books to propagate their religion, often distributed free of charge, although donations are encouraged. Religious websites have rapidly proliferated in the twenty-first century.

Under current regulations, the construction of religious buildings and the publication of religious materials are strictly restricted. The authorities have taken routine actions and carried out periodic campaigns to curb unapproved religious expansion. For example, whereas China prints more Bibles than any other country

in the world each year, the Amity Printing Company in Nanjing is one of few permitted to print the Bible. And Bibles can be distributed only through the churches under the state-recognized China Christian Council and Chinese Christian Three-Self Patriotic Movement. To build a church, a mosque, or a temple, the application for permission has to go through government agencies at the county, prefecture, and provincial levels and may not start without the official approval of the provincial government. The violators of printing and construction regulations have often been detained, jailed, and fined, the publication materials confiscated, and the buildings demolished.

However, financial resources have become sufficiently abundant for many religious groups to quickly refurbish and replace what has been lost to government crackdowns. In Guangzhou, a well-known Protestant house church was located at the house of Samuel Lamb (Lin Xiangao), which attracted hundreds of worshippers in the late 1990s. To accommodate the crowd, closed-circuit television and sound systems had to be set up on all three floors of his little townhouse. From time to time, the police and religious affairs officials raided the house church and took away all the equipment. However, in a matter of a couple of days or a week, new equipment would be brought in and the worship gathering would resume. Also, there have been many reports of Christian churches and Buddhist temples that were demolished during a crackdown and then rebuilt within months. This often happens in the economically better developed coastal provinces of Zhejiang, Shandong, Fujian, and Guangdong, but increasingly in inland provinces as well.

Second, religious leaders and organizations have seized opportunities created by the market economy to spread and expand. While local government officials have tried to “build a religious stage to sing the economic opera,” religious believers have grasped such opportunities to legitimately revive their religious practices and restore temples. Similarly, while the government wants to expand tourism for economic benefits, religious leaders have captured such opportunities to revive and expand religious activities. During this process, however, religious goods and services have been commodified.

The most successful example in this regard is the Shaolin Buddhist Temple in Henan province. When the economic reforms began in the early 1980s, the temple had only a dozen old, feeble monks surviving as farmers cultivating the land surrounding a few dilapidated buildings. Following the 1982 release of the popular kung fu movie *Shaolin Temple*, starring Jet Li, tourists began to arrive at the site of the famous temple deep in the mountains. Local government agencies, including the Bureau of Tourism and the Bureau of Cultural Relics, came to reap the economic benefits. Responding to this, the monks negotiated and persuaded the authorities to allow the temple to be restored and expanded. Eventually, Shaolin Temple became a large compound of newly constructed magnificent buildings in traditional styles, with many modern facilities. The number of monks increased to over a hundred. Its land has increased to over 300,000 square meters (about 75 acres), whereas the residents of the surrounding villages were forcefully relocated by order of the local

government. Shaolin Temple has expanded by relying on tourist income as well as sales of religious services and goods.¹¹

To solicit donations and increase income, Shaolin and other Buddhist and Daoist temples have devised various mechanisms that meet the needs of individuals in the market economy. One such mechanism is tourist admission tickets to temples, which are common throughout the country. Another successful mechanism is auctioning off the privilege of lighting the first incense sticks at the temple on the Chinese New Year's Day. To seek blessings, good fortune, and merits in the next life, some entrepreneurs willingly pay thousands of yuan for such a privilege, which they sometimes hand over to government officials as a special gift or bribe. In the end, the temples benefit from such patronage. Ordinary religious goods such as incense sticks and statues of gods or Buddhas are commonly sold at the temple for a price several times higher than at secular shops. Overall, the commodification of religious goods has significantly benefited some Buddhist, Daoist, and folk religious temples but is less pronounced for Christian churches and Muslim mosques.

Third, the market economy has created and continued to enlarge the social space for practicing religion. In the past, the work unit was an all-inclusive community, through which the Communist Party enforced strong social and political control. During the market transition, however, companies, as economic entities in the market economy, have been losing some of their social functions, including those of political and ideological control. Profit-minded employers gain little benefit from interfering with the religious beliefs and practices of their employees, unless they need to avoid penalties by certain government agencies. Moreover, some businesspeople find that employees who are religious believers tend to be more honest and diligent workers, and subsequently may encourage their religious faith. Some companies even house religious activities, either unintentionally, like the McDonald's in the opening vignette, or intentionally, in the case of Christian chapels or Buddhist shrines being set up on the premises of factories and other companies.¹² Meanwhile, some privately owned or managed apartments and office buildings have rented out properties to religious groups for religious gatherings. This kind of Christian "house church" has become more and more common in Beijing, Shanghai, and other large cities. Unless pressured by the police, the State Administration of Religious Affairs, or other government agencies, the owners or managers have no problem with such usage as long as the religious tenants pay their rent just like anybody else.

Indeed, the globalized market economy has facilitated many religions' entry and spread within Chinese society, rendering some religious regulations unenforceable. According to existing regulations, China does not admit foreign missionaries of any religion, and gives no legal status to any but the five officially sanctioned religions of Buddhism, Daoism, Islam, Catholicism, and Protestantism. Adapting to these restrictions, some businesses, including both foreign and domestic ventures, have made the spreading of a religion their primary purpose, with economic activity serving only the goal of engaging in a legal occupation and perhaps also providing financial resources to support the religious activity. This kind of business-based

religious teaching is practiced by Christians, Buddhists, traditional Chinese sects such as Yiguandao, and newly introduced religions and churches such as the Bahá'í Faith, the Church of Latter-Day Saints, and the Unification Church.

Protestantism, Confucianism, and Capitalism

Until now we have focused on how economic changes in contemporary China—the rapid expansion of the market economy—have contributed to the revival of religions. We can also turn the question around: does religious culture contribute to the development of Chinese capitalism? Max Weber's thesis on the association between the Protestant ethic and the spirit of capitalism has been an important sociological theme that has inspired many studies. Weber argues that there is an affinity between the Protestant ethic and the spirit of capitalism, so that the first emergence of modern rational capitalism in Western Europe was probably more than accidental.¹³ This was because Protestantism promotes rationality and an inner-worldly asceticism that encourages frugality and hard work, which are conducive to the accumulation of capital. Modern rational capitalism did not first emerge in societies where there was a lack of the Protestant ethic, even if the technological, financial, legal, and other institutions were favorable to capitalism. In his subsequent studies of world religions focusing on their economic ethics, Weber argued that capitalism had not emerged in China because Confucianism, the dominant thought system in China's history, did not provide an ethic conducive to the emergence of modern rational capitalism.¹⁴ Weber's studies have been challenged ever since the initial publication of his writings. Some have pointed out the mistaken evidence that Weber cites, whereas others have emphasized that Weber's basic arguments still hold in spite of the minor errors in his data.

Over and above the debates surrounding philosophical positions and historical facts, the rise of several Asian economies since the 1970s further complicates the discussion. Has a "Confucian ethic" contributed to the rapid economic development of South Korea, Taiwan, Hong Kong, and Singapore? Since these societies' economic growth clearly has surpassed that in other parts of the world, it is tempting to claim that Confucianism, which is the shared ethical system of these East Asian societies, played a key role in this process. Some historians, philosophers, and politicians make this case and assert that Weber is wrong about Confucianism's role in economic development. In my view, however, the verdict is still out. This question would benefit from systematic empirical studies with updated social scientific tools. Weber's assertion also begs the question of how to define Confucianism.

The reality of religious plurality in these Asian societies and the internal diversity of Confucianism are important features to acknowledge. Therefore, we should ask the following research questions: What are the kinds of Confucianism that have contributed to the economic development of these Asian societies? What are the social mechanisms through which Confucianism functions in these societies? What

specific type of contribution might it bring to economic development? Meanwhile, what roles have other religions played in the economic transformation of these societies? Before these questions are answered with empirical data, Weber's thesis cannot be conclusively refuted or confirmed.

The work of economic anthropologist Hill Gates provides some possible hypotheses in relation to these questions. In her book *China's Motor: A Thousand Years of Petty Capitalism*,¹⁵ she analyzes the two dominant modes of economic production for the past thousand years in imperial China; both modes used the Confucian ideology but in different ways. The first was the "tributary mode of production," which refers to state-managed extraction and distribution of resources, notably through state-controlled commodity production, taxation, tribute, and redistribution through hierarchical bureaucratic structures. This system was controlled by a class of Confucian-educated scholar-officials, who upheld ideals of statehood, virtuous governance, and education. They had little regard for commercial pursuits and enjoyed a leisurely lifestyle. The second mode was the "petty capitalist mode of production," which consisted of small-scale firms that produced commodities for the markets. These firms were organized along kinship lines and were incorporated as clans and lineages (see chapter 2), which owned large landholdings and small workshops. They depended on their own family members for labor and used the Confucian idiom of ethics, filial loyalty and ancestor worship, to control their labor force—Gates calls these family firms "patricorporations."

The state and the family firms both used the Confucian ideology, the former for the purpose of governance and the latter for the purpose of managing the family's labor force. Under this system, a market economy flourished in China from around the tenth century (see chapter 8). But under the state's Confucian ideology, there was little rule of law, and it was difficult for nonstate firms to grow. The highest power and prestige accrued to members of the scholar-official class. As a result, kin-based enterprises could not expand through reinvestment into truly capitalist firms. Instead, investment was oriented toward the education of children to prepare for the imperial examinations, so that they could enter the leisured life of the scholar class and use their influence to bring economic benefits to the family.

In modern times, the relationship between the tributary state and the petty-capitalist family firms has undergone tumultuous changes. Although the elitist and intellectualist Confucian ideology of the state was overturned in 1911, the entrepreneurial "Confucian" ethic of the petty-capitalist Chinese family firms of Hong Kong, Taiwan, and Southeast Asia has adapted to the modern market economy.

Much of Chinese popular religious culture reflects and reinforces the orientations of petty capitalists. Popular religious symbols celebrate the good things of life: prosperity, joy, luck, wealth, good health, long life, success, high social status, peace, and family harmony. A strong connection is made in traditional culture between wealth and morality. Material success is seen as the result of cosmic recompense: as a reward for meritorious deeds committed in past and present lives, and also as a consequence of being a moral and trustworthy individual. Furthermore,

wealthy individuals can perform charitable deeds, which will accumulate their good karma and raise their moral standing in society. As described in chapter 9, commercial and financial symbols permeate popular religious culture, from the use of accounting methods to keep track of good and bad deeds (called “ledgers of merit and demerit”) in late imperial China to the practice, still widespread today, of using paper money (“hell bank notes”) as offerings to the gods.

The anthropologist Jean DeBernardi, a field researcher on the religious culture of the Chinese of Penang, Malaysia, argues that Chinese notions of fate and predestined affinities (see chapter 1) allow individuals to simultaneously accept their lot in life and deal with the unpredictable vagaries of life, while at the same time giving them a sense of moral agency through which, by doing good deeds, they invest in a future better fate:

When individuals invoke fate, luck, spiritual collisions, and coincidence as explanations for events in their lives over which they have little control, this may serve to build confidence, allay anxiety, and exonerate the individual from a personal sense of guilt in the face of failure. At the same time, however, the popular religious theodicy teaches that good deeds result in a longer life and greater success, thereby mitigating a fatalistic determinism with the message that a person can make his or her own luck through moral deeds. The habitus of popular religious culture may well provide a useful life orientation for dealing with the risks and rewards of contemporary life in a capitalist society.”¹⁶

The conclusions of scholars such as Gates and DeBernardi, which are based on Chinese history and ethnographic research in Taiwan and Malaysia, offer many insights on the connection between Chinese religious culture, petty-capitalist family enterprises, and moral orientations in a market economy. But it is still too early to know how these ideas may or may not apply to contemporary mainland China. In China, the transition toward a market economy was initiated by the Chinese Communist Party, which for decades tried to eradicate Confucian and popular religious values altogether. Following two decades of economic reforms and social change, Confucianism has begun to revive in China in the twenty-first century, evidenced by the renewed interest among the people in reading and studying Confucian classics and conducting rituals at Confucius temples throughout the country. However, it is not clear that such “Confucian” practices have much in common with the culture of imperial-era or overseas Chinese. Empirical studies lack answers to the research questions suggested earlier.

Meanwhile, it has become important to study the ethics of Chinese Protestants, whose numbers have increased a hundred times since the founding of the People’s Republic of China, from about 700,000 in 1949 to possibly as many as 70,000,000 today. In the religiously plural Chinese society today, these Christians comprise a significant religious minority. In what ways are they Chinese, and in what ways are they Protestant? Do they form a hybrid Confucian-Protestant ethic, as some

empirical studies seem to indicate?¹⁷ What role does a Confucian-Protestant ethic, if it exists, play in the market economy? A century after Max Weber, the world has become even more complex and has to be studied with updated theoretical and methodological tools.

Conclusion

The rise of the market economy in China under Communist rule has come along with a significant growth of various religions. The market economy has created uncertainty and thus generated needs among people for healing, meaning, and belonging. It also has created a social structural space for religious organizations and religious movements, and has provided financial and material resources for religious growth. Meanwhile, religious individuals and organizations have responded to economic marketization in ways that have rendered the restrictive religious regulations unenforceable. However, the question of how different religions have contributed to the healthy development of a modern capitalism, or the so-called socialist market economy, remains to be studied. The development of the market economy in China has challenged many existing theories and also provided great opportunities for research on many aspects of religious change in society.

Notes

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2. János Kornai, *Economics of Shortage* (Amsterdam: North-Holland, 1980), and *The Socialist System: The Political Economy of Communism* (Princeton, N.J.: Princeton University Press, 1992).

3. Lü Wei, “Jin ru ‘hou duan quan shiqi’ de zhongguo jingji” (“Chinese Economy Has Entered the ‘Post-Shortage Period’”), *Cai jing wenti yanjiu* (Research on Financial and Economic Issues) (Beijing, 2001): 3.

4. Luo Guangwu, *1949–1999 Xin Zhongguo zongjiao gongzuo dashi gailan* (A Brief Overview of Major Events of Religious Affairs in New China, 1949–1999) (Beijing: Huawen Press, 2001).

5. Li Pingye, “90 niandai zhongguo zongjiao fazhan zhuangkuang baogao” (“A Report on the Status of Religious Development in China in the 1990s”) *Journal of Christian Culture* 2 (1999): 201–222.

6. See Cunfu Chen and Tianhai Huang, “The Emergence of a New Type of Christians in China Today,” *Review of Religious Research* 46, no. 2 (2004): 183–200; National Bureau of Statistics of the PRC, *Statistical Report of National Economic and Social Developments, 2007*, http://www.stats.gov.cn/tjgb/ndtjgb/qgndtjgb/t20080228_402464933.htm.

7. This finding was released in a report: “Yiban yishang xianchujingongwuyuan nan ju ‘mixin’” (“More than Half of Public Service Officials at the County or above Levels Have Difficulties to Resist ‘Superstitions’”), *Kexue Shibao* (*Science Times*) May 11, 2007, <http://www.sciencetimes.com.cn/htmlnews/2007511193241656179151.html>.

8. Beatrice Leung, "China and Falun Gong: Party and Society Relations in the Modern Era," *Journal of Contemporary China* 11, no. 3 (2002): 761–784; Yunfeng Lu, "Entrepreneurial Logics and the Evolution of Falun Gong," *Journal for the Scientific Study of Religion* 44, no. 2 (2005): 173–185; David A. Palmer, *Qigong Fever: Body, Science, and Utopia in China* (New York: Columbia University Press, 2007).
9. Graeme Lang and Lars Ragvald, *The Rise of a Refugee God: Hong Kong's Wong Tai Sin* (Hong Kong: Oxford University Press, 1993).
10. Graeme Lang, Selina Ching Chan, and Lars Ragvald, *The Return of the Refugee God: Wong Tai Sin in China* (Hong Kong: Chinese University of Hong Kong CSRCS Occasional Paper No. 8, 2002).
11. On the history of Shaolin temple, see Meir Shahar, *The Shaolin Monastery: History, Religion, and the Chinese Martial Arts* (Honolulu: University of Hawaii Press, 2008).
12. Carol Huang, "Christianity in a Chinese Workplace? For Some," *Christian Science Monitor*, March 9, 2008.
13. Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (Mineola, N.Y.: Dover, 2003).
14. Max Weber, *The Religion of China: Confucianism and Taoism* (New York: Free Press, 1951).
15. Hill Gates, *China's Motor: A Thousand Years of Petty Capitalism* (Ithaca, N.Y.: Cornell University Press, 1996).
16. Jean DeBernardi, *The Way That Lives in the Heart: Chinese Popular Religion and Spirit Mediums in Penang, Malaysia* (Stanford, Calif.: Stanford University Press, 2006), 80.
17. Nicole Constable, *Christian Souls and Chinese Spirits: A Hakka Community in Hong Kong* (Berkeley: University of California Press, 1994); Fenggang Yang, *Chinese Christians in America: Conversion, Assimilation, and Adhesive Identities* (University Park, Pa.: Penn State University Press, 1999).