

Chapter 23

Ritual Economy and Rural Capitalism with Chinese Characteristics

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In this chapter, I would like to discuss an intriguing linkage between the current rural economic development of Wenzhou, Zhejiang Province, on the southeastern coast of China, with Chinese popular religiosity. Once this linkage is made, we can see that what has been taking place in this area of coastal China is not merely another penetration of capitalism, but the hybrid reconstruction of a ritual economy whose genealogy can be traced back to the late imperial Chinese commercial culture of the common people. This ritual economy involves not only the profit motive and material production based on the household unit, but also heavy investment in the cosmic ledger of merits, the sacred world of the gods and ancestors, and the Underworld of ghosts, demons, and the dreaded courts and officials of Hell.

In discussions of globalization, global capitalism, and Americanization, three issues are often absent from the conversation: the question of alternative

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capitalisms, the power of historical traditions and practices, and the religious and ritual dimensions of economy. Let me first expand briefly on each of these three themes, for they will inform my discussion of post-Mao rural economic development and religious revival in Wenzhou.¹

First, on the question of alternative capitalisms, the critical political economists J.K. Gibson-Graham (two authors with one name) have pointed out the problems inherent in simplistic and uniform models of Western capitalist penetration of the globe, and have called for greater attention to the diversity of cultural and institutional constructions of capitalism around the world.² Thus, we may have entered into an era of global capitalism, but *not* into a single model of capitalism. In other words, capitalism does not simply plow down whatever was there before, but creatively combines with older forms and produces new configurations of capitalism, and even mobilizes older cultural resources as new forms of counter-capitalist practice.³ After all, in *The Grundrisse*, Marx himself recognized that modern capitalism had absorbed older pre-capitalist modes of production and economy into its body, although he did not go on to assign much agency to these older modes, nor did he elaborate on structural tensions between older and newer economic forms.⁴ What I seek to highlight here is that, beneath the much-publicized multi-billion-dollar contracts between Chinese state corporations and foreign firms, there is another less visible, but more indigenous sector of the dynamic Chinese economy, as seen in the rapid rural economic development in parts of China's southeastern coast, where production and commerce are embedded in a ritual economy.

Second, the importance of a longer historical perspective in thinking about globalization are underscored by path-breaking revisionist economic historians such as Janet Abu-Lughod, Andre Gunder Frank, Kenneth Pomeranz and R. Bin Wong, who have shown us that in the five centuries before modern European global domination, a commercial globalization was already underway in long-distance and maritime trade among Arab, Persian, Chinese, South, and Southeast Asian merchants.⁵ The Europeans were latecomers who merely appropriated and expanded an already-existing lucrative global trade network that stretched from the Middle East, around India, and through Southeast Asia, to China, an empire that was from at least the eleventh through seventeenth centuries, a global maritime power whose handicraft industry exports (silk, laquerware, porcelain) were much in demand. Although subsequent centuries saw the decline and increasing impoverishment of China, and the take-off of European industrial, military, and commercial might, the seeds and cultural *habitus* of Chinese entrepreneurial and commercial culture were not destroyed.⁶ First laid down in the great commercial and urban revolutions of

the Song Dynasty (960–1279 CE), and fitfully allowed to sprout by ambivalent imperial court policies in the Ming (1368–1644 CE) and Qing (1644–1911) Dynasties, these seeds lay dormant in the modern period of the nineteenth and twentieth centuries, through famines, wars, semi-colonialism by the West, revolutions, and state collectivization. The astounding explosive growth in Chinese economic production and trade since the 1980s, especially in southeastern Chinese coastal cultures, attests to the enduring potency of these seeds of the Chinese historical and cultural *habitus* of commercial and maritime culture.

Third, Max Weber's thesis on capitalism as an outgrowth of the Protestant ethic's focus on doing good works in this world as a way to reveal their divine destiny, has alerted scholars to the imbrication of economic practices with forms of religiosity.⁷ However, given the prominent and vociferous attention to Weber for several decades, actual detailed empirical studies of economy and non-Western religious traditions have been quite sparse, and virtually none of them have entered into the realm of theoretical discussion. It is curious that there are so few studies of this nature, or that they have not garnered more theoretical interest, since just looking at a few major religious traditions, we know that they must harbor as yet not fully understood major economic implications. For example, Buddhist teachings of reincarnation and *karma*, the law of causality as the link between this life and the next, is translated in popular practice as the concern for merit-making, doing good deeds in this life, to off-set one's demerits for a propitious next life. The often complex accounting system of accumulating and recording merits and demerits must have some implications or offshoots in temporal economic practices. Similarly, the prophet Mohammed was himself a merchant, one of the Five Pillars of Islam is charitable donations, and the religious system he founded has a long history of mercantile civilization, yet there are few English-language studies to chart this relationship between religious doctrine and economy.

The "economic miracle" of the "Four Asian Tigers" (Hong Kong, Taiwan, Singapore, South Korea), and later of China, has been attributed to "the Confucian ethic," since these economies share a Confucian cultural legacy that supposedly encourages a strong work ethic.⁸ I would like to contest this thesis of the Confucian ethic and suggest that we must look to Chinese popular religion instead. In the writings left by Confucius and Mencius, there is a distinct anti-profit and anti-merchant slant. Furthermore, Confucianism's main institutional home was the imperial state and its bureaucracies and academies, where it exerted the power of state orthodoxy. Since the Ming Dynasty, the late imperial state, aided by Neo-Confucian thought (*daoxue* or *Song-Ming lixue*), entered into periods of intense anti-commercial policies, including the

“maritime prohibitions” (*haijin*) that closed the entire eastern coastal waters to private merchant trade with foreigners and the tightening of sumptuary laws against social mobility.⁹ Another problem with the “Confucian ethic” thesis is that it essentializes China into a monolithic unchanging culture and cannot account for China’s diversity of languages and regional cultures, and differences today in the ability of local populations to adapt to market economy and capitalist globalization. Historically, it was and is the maritime commercial cultures of the southeastern coast that have been the most economically dynamic in late imperial times, while north China and the interior have been less developed. Furthermore, the entrepreneurial spirit has emerged more often from non-official families than from the elite Confucian gentry or scholar-official class who prized educational and political capital over economic capital.

RURAL WENZHOU TEMPLES AND RITUALS: THE CIRCULATION OF MONEY BETWEEN RURAL INDUSTRY AND COSMIC-DIVINE WORLDS

When one speaks of “privatization” (*siyouhua*) in China’s economic reform era of the past two decades, the “Wenzhou Model” (*wenzhou moshi*) of rural development, based on small household industries, joint-stock firms, and restless entrepreneurial expansion across the whole area of China looms large. Even before the official promulgation of the economic reforms of the Third Plenum of the Eleventh Party Congress in 1978, many parts of rural Wenzhou had already quietly and secretly de-collectivized agriculture. In the space of two decades, with virtually no state, foreign, or overseas Chinese investment, the Wenzhou area transformed itself from a geographically isolated and impoverished area where electricity was only brought to rural areas in the 1960s and bicycles in the 1970s, to an economically dynamic, prosperous, and rapidly industrializing and urbanizing region. Between 1978 and 1994, Wenzhou’s GDP increased from 132,200,000 yuan to 2,967,800,000 yuan, an increase of 4.5 times, with an annual growth rate of 15.4 percent.¹⁰ Wenzhou manufactured goods (shoes, medical needles, pipes and valves, porcelain tiles, paper goods, etc.) are shipped not only to all areas of China, but also exported to countries around the world. Rural incomes in Wenzhou shot up from an average personal annual income of 113.5 yuan in 1978, which was 15 percent below the national average, to 2,000 yuan in 1994, which was 63.9 percent *higher* than the national average (Zhang 1998:1032).

When I first visited rural Wenzhou in 1991, rice paddies and water buffalos

stretched to the horizon, and chickens and pigs ran underfoot in villages and towns. Although most families no longer pursued agriculture, but had moved on to running their small factories, they were still embedded in traditional peasant culture, celebrating only lunar calendar festivals and engaging in exchanges of bridewealth and dowry for marriages. The frenetic, purposive, and cheerful way that the local people went about their various businesses, and the fast-paced rural-to-urban transition occurring all around, reminded me of my childhood in Taiwan in the early 1960s. On each of my trips to Wenzhou in the 1990s, I was presented with new signs of economic development. By 2001, not only the water buffalos had been replaced by “iron buffalos” or tractors, but many of the rice paddies and old water transport canals had been buried under concrete pavements and new roads. Villagers and townspeople made urgent business calls across the country on their mobile phones and had switched from VCD to fully digitized DVD players. To my further shock, some wealthy rural families had purchased not just motorcycles, but new cars, others had just returned from family trips to Southeast Asia, and many families kept bank accounts in U.S. or other foreign currencies. Not all the economic developments were salutary, however, since air and water pollution were becoming more serious, due to the factory exhaust and refuse, and official corruption was on people’s minds.

What really intrigued me about this area was the distinctive revival of traditional culture and popular religion alongside the economic development, a fact rarely examined or even mentioned by Chinese scholarship on the “Wenzhou model” of development. Despite official restrictions on the expansion of popular religion, and a long, still-ongoing twentieth-century history of radical state secularism,¹¹ this religious revival in Wenzhou not only kept pace with economic growth and prosperity, but often seemed to drive it. Each time I returned to Wenzhou, I found new deity temples and lineage ancestor halls built or restored and the local people emboldened further to expand their religious rituals, festivals, and ritual processions.¹² Each village had more than one deity temple dedicated to one or more of the multitude of gods and goddesses in the popular Chinese pantheon. Temples gathered together local worshippers on the birthdays of their tutelary gods and other festivals to hold rituals and share a collective banquet. Most townships or county seats had reclaimed their City God temple, which had been appropriated by the state and turned into offices or storehouses in the Maoist era. A new Buddhist temple in Jinshan County was being built in 2004, with a huge five-story-high wooden statue of Guanyin, the most important Chinese Buddhist deity, going up inside. I talked with the village leader, who told me of his efforts in scouring the Buddhist centers of the country for models upon which to base his village’s temple, and

for a reputable Buddhist priest to head the temple, and of his ambitious plans to rebuild the Buddhist monastery and seminary that once flourished there in the Song Dynasty. Lineages had resumed their ritual sacrifices to ancestors and competed with each other to collect the most elaborate genealogies, build the biggest and costliest ancestor hall, or put on the most impressive sacrificial ritual. Families also competed with each other in the collective wealth of all family members, as expressed through the scale of the funeral rituals and feasts they could provide for their dead. Christian churches are also part of this religious revival, and many churches dot the countryside here.

All of these religious resurgences of course require money, which comes from the willing, sometimes eager donations of ordinary people, especially the wealthy, who have stronger obligations to give. Besides building and restoring their religious sites, and paying for ritual expenditures, temple associations, lineage organizations, and churches all serve as conduits for charitable donations and social welfare: they gather money from the rich and distribute it to the poor and needy (widows, orphans, disaster victims) in local communities, and finance efforts for the public good, such as building schools, roads, and bridges. Religious sites all make public their annual lists of donors or special fund-raising event records, and the amounts that they donated are written on paper and plastered on temple walls or carved into permanent stone steles reminiscent of imperial times. These public records further spur on the will to be generous. Thus, a significant proportion of the wealth generated from industrial production and commerce is diverted into non-productive uses, such as community welfare and construction that increase one's merit accumulation, or investments in the divine world.

In addition to donations to temples, lineages, and churches, and the expenditures on a plethora of different life-cycle and religious rituals, there is another type of ritual expenditure that is part of the ritual economy of rural Wenzhou and should be counted as part of its economic growth. This is the expenditure by local people on the services of ritual experts: geomantic masters are hired to select the most propitious sites for tombs and new houses; diviners using tortoise shells and the sixty-four hexagrams of the ancient *Book of Changes* (*Yi Jing*)¹³ are employed to tell fortunes or to calculate the most propitious dates for lowering a coffin into the ground, getting married, or opening a new business; and Daoist and Buddhist monks and nuns are paid to perform a range of different rituals for the community and its individual families. New temples, ancestor halls and churches have also spurred the growth of a skilled artisan-craftsman occupational group: wood carvers (of deity statues), temple mural painters, coffin-makers, traditional architecture masters, religious scripture

and lineage genealogy printers, and others who cater to religious and ritual needs. These artisans are not averse to technological innovations. I talked with one young printer of genealogies who in the early 1980s learned how to carve individual Chinese characters out of wood and ran a wood-block printing press (Song Dynasty technology) to serve lineage organizations in the area. He said genealogies are always printed with Song-Dynasty-style characters (*Songti*), to commemorate the scholar-official Ou Yangxiu of the Song, who promoted genealogies for the common people, not just the aristocracy. In the year 2000, he switched to computer desktop printing and uses the Chinese software program's Song-style font for his Chinese characters. In the space of twenty years, he had leaped from an eleventh- to a twenty-first-century technology.¹⁴

It is not clear when the practice of burning paper spirit money for the gods and ancestors started, but certainly Chinese popular religion underwent expansion and innovation in the commercial revolution of the Song Dynasty (960–1279 CE), which witnessed the invention of both paper money used in trade, and wood-block printing. Today in Chinese popular religious practice, spirit money is one important medium of communication and exchange between the temporal and divine worlds. In rural Wenzhou, important occasions for burning spirit money are such rituals as funerals, ancestor sacrifices, birthday festivals for deities, and the Ghost Festival (*Zhongyuan pudu*) in the seventh lunar month. These money offerings to gods, ghosts, and ancestors ensure their blessings on the living. In funerals, the most important life-cycle ritual, money is burned for the use of the deceased in the Underworld, where the soul is taken after death to stand judgement before each court of the Ten Kings of Hell. Although the burning of spirit money produces only a symbolic loss of wealth, the idea is significant: wealth can be made by families, but not all of it should be consumed or kept in material form. One must invest or divert part of one's wealth to other divine worlds for one's future good fortune, one's family and descendants, and one's larger community.

It is evident to me that if the Chinese state, whether the central government or Party, or the local Wenzhou municipal or county officials did not restrict the expansion of popular religion so much, due to their internalization of nineteenth-century Western and Christian condemnations of "backward superstitions", religious and ritual development in rural Wenzhou would be even stronger and more able to exert beneficial social transformations. Religious revival is engaged in rebuilding an ethical system damaged by decades of "class struggle", in which individuals, families, and groups were pitted against and betrayed each other in loyalty to the state, and by increasing popular cynicism towards Communist Party ideals and homilies. The homage to deities and ancestors in community

rituals also bolster an important element, prominent in late imperial China, but virtually eroded in the course of twentieth-century nationalism: local identities. The gods, goddesses, and ancestors are icons of local identity, autonomy, local initiative and self-organization, building blocks of an indigenous rural Chinese civil society, while the rituals and festivals put on for them gather and celebrate local communities, thus counter-balancing the hegemonic and monolithic nationalism disseminated by public schools and the state media.

Finally, Chinese popular religion and its aforementioned signs of revival can be seen as an indigenous response to the perennial problem of capitalism: the unbridled and socially destructive profit-motive. Given China's long history of commercialization, capitalism is not entirely new. As China today joins the world of global capitalism, some of its rural coastal regional cultures, such as rural Wenzhou, have drawn upon imperial China's petty entrepreneurial and commercial cultural legacy, where the market economy was embedded in and also checked by cultural institutions such as the family, lineage organizations, temple associations, Daoist and Buddhist institutions, and community ethics. Unlike the urban areas, they have not embraced the (Western) version of capitalism that is much more disembedded from the traditional encumbrances of kinship and family obligations and religious commitments to the divine world.¹⁵ In the indigenous capitalism that we find in places like Wenzhou, the capitalist drive for accumulation of wealth is tempered by the religious and kinship ethics of generosity and social rivalries of giving away wealth. The significance of the "Wenzhou Model" of economic development lies not in its economic success, but in its ability to show Chinese state policy makers that – just as the West modernized without having to wipe out "superstitious" Christianity, which also has an ethos of generosity and charity¹⁶ – economic development in China, especially in rural cultures, cannot do without religious inspiration. Whereas in many other places in China, a century of radical state secularization swept away the religious impulses that could both drive the money-making ethos of capitalism as well as counter its destruction of the social fabric, rural Wenzhou's capitalism has managed to preserve or reinvent a distinctive anti-capitalist component. Here, the emphasis is not just on material investment, but also on investments into the non-productive realms of community welfare, ritual consumption, and conversion of material wealth into the currency of transcendent divine worlds. In rural Wenzhou, the local culture exerts pressure on capitalism to conform with the outlines of an ancient ritual economy, where rituals must be financed and performed, the gods must receive offerings, and wealth must be diverted from this temporary world to other more powerful and lasting realms of the cosmos.