

The Economic Ethic in Chinese Society: Differences from and Similarities to the Western Economic Ethic from the Perspective of Social Cooperation^(*)

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Abstract: Using game theory and transaction cost theory, religion or the religious ethic is converted to a system that provides ethical support and interpretation for various types of social cooperation and supports their equilibrium either partially or completely. From the perspective of the social cooperation ethic, the economic ethic of modern society may be viewed as a “partial equilibrium” that comprises the horizontal cooperation ethic (commerce or market) and the vertical cooperation ethic (the internal power in an enterprise). In this regard, Weber strongly interpreted the causes and processes of the differentiation and independence of the modern economic ethic of the West as “partial equilibrium” from “overall equilibrium.” However, the economic ethic in Chinese society has been different and has always maintained a close association with “overall equilibrium,” and its expression and symbolism have undergone a change in process from the local god of *Sheji* (社稷神, god of state) to local *Chenghuang* gods (城隍神, city gods) to nationwide popular general gods.

Keywords: Social Cooperation, Social Cooperation Ethic, Economic Ethic, Weber Proposition Social Changes

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Introduction

The economic system and religion system are important components of a society. In response to the assertion of Karl Marx that the economic base determines superstructure, from the perspective of Western civilization, Max Weber observed a special affinity between the spirit of capitalism and Protestant ethic, and further universalized capitalism to the economic model of human rationality and to the proposition of modernity, in light of which, he examined the relationship between the world’s religions and economic systems (or society).

Under this influence, with the economic miracle of East Asia, belonging to the Confucian civilization circle, emerged in the second half of the 20th century, scholars such as Yu⁽¹⁾ and Redding⁽²⁾ have been committed to exploring or reflecting on the spirit of business or capitalism in Confucianism in accordance with the logic of the “Weber proposition”. After entering the 21st century, China’s economic rise also prompted the exploration and study of the business or economic ethic in traditional Chinese culture (primarily Confucianism) in China. The phrase “Confucian businessmen” (occasionally “Buddhist businessmen” or “Taoist businessmen”) has frequently

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(1) Yu Yingshi 余英时, *Shi yu Zhongguo wenhua* 士与中国文化 (Shanghai: Shanghai Renmin chubanshe, 2013); *Zhongguo jinshi zongjiao lunli yu shangren jingshen* 中国近世宗教伦理与商人精神 (Beijing: Jiuzhou chubanshe, 2014).

(2) Gordon S. Redding, *the Spirit of Chinese Capitalism*. (Berlin: Walter de Gruyter GmbH & Co. KG, 1990).

been mentioned in academic and business communities.⁽³⁾ However, the above efforts at research or interpretation that vigorously explored the business ethic or the spirit of capitalism of Confucianism⁽⁴⁾ (or Confucian religion) have significantly deviated from true Chinese history and society because of the dominance of the “Weber proposition,” largely weakening the academic significance of those efforts.

On the one hand, the pattern of religions in Chinese society is “three-religion harmony” of Confucianism, Buddhism, and Taoism (三教圆融) or “diversity in unity” of Confucianism, Buddhism, Taoism, and popular religion (多元一体). Although Confucianism is the core of this complex religion structure as the organizer and leader in Chinese history-society, the guardian and symbol of the economic ethic has focused on popular religion (folk religion), not Confucianism, Buddhism or Taoism. For example, the worship of *Guandi* (关帝) and *Mazu* (T’ien Hou, 妈祖或天后), the most all-embracing gods of trades, gods of commerce unions, gods of business, or gods of wealth in Chinese society has long been prevalent. However, in studying the relations between Chinese religion and society, Weber paid special attention to the study of Confucianism but viewed Taoism carelessly as a heresy of Confucianism and completely ignored the widespread presence of popular religion in Chinese economic fields.⁽⁵⁾ It should be mentioned that Weber and his contemporary adherents focused on the relation between Confucianism and the economic ethic and blindly adopted the path of interpreting the relationship between Christianity (exclusivity or uniqueness) and capitalism, which seriously deviated from Chinese historical facts.

Conversely, China’s economic production mode has generally been based on family or a clan community,⁽⁶⁾ and economic organizations other than the clan community have always been modeled into clan structures.⁽⁷⁾ This indicates that compared with Western societies, the relationship between economic system and marriage-family system (and even other social systems such as political and religious organizations) in Chinese society has been tangled.⁽⁸⁾ Thus, the study of the relationship between religion and economic ethic in Chinese society must address the relationships among the social systems from the perspective of the society as a whole, which is exactly the research path emphasized by Durkheim.⁽⁹⁾

China has experienced economic prosperity in different historical periods, and the market economy has been widely present in Chinese history.⁽¹⁰⁾ However, why has the economic ethic in Chinese society been primarily

(3) For example, Zhejiang University established the “Research Center of Confucian entrepreneurs and East Asian civilization” in 2006; the Peking University Institute of Advanced Studies in Humanities sponsored five consecutive symposia on “Confucian Entrepreneurs’ Discourse” since 2013 (jointly sponsored by the Cheung Kong Graduate School of Business since 2015).

(4) Although there remains a debate in academia regarding whether Confucianism is a religion, for the sake of discussion, in this paper, Confucianism and the Confucian religion are treated as equals.

(5) Max Weber, *The Religion of China: Confucianism and Taoism*, Trans., Kang Le, Jian Huimei. (Guilin: Guangxi Shifandaxue chubanshe, 2010)

(6) Maurice Freedman, *Lineage Organization in Southeastern China* (London: The Athlone Press, 1958), pp.13-21; Huang, C.C., *The Peasant Family and Rural Development in The Yangzi Delta, 1350-1988* (Stanford: Stanford University Press, 1990), p.44. <https://libgen.pw/item/detail/id/620633?id=620633>

(7) Zhuang Jifa 庄吉发. *Zhenkong jiangxiang: Minjian mimi zongjiaoshi yanjiu* 真空家乡：民间秘密宗教史研究 (Taipei: Wenshizhe chubanshe, 2002), pp.475-6.[hereafter ZKJX]

(8) I consider marriage-family, politics, economics, and religious organization (distinguished from religion) as four important social systems whereas “metaphysical” religion and its theological philosophy provide ethical support for social systems from the perspective of society as a whole.

(9) Emile Durkheim, *The Division of Labor in Society*, trans. Qu Dong (Beijing: Shenghuo, Dushu, Xinzhi sanlian shudian, 2000); Emile Durkheim, *The Elementary Forms of Religious Life*, trans. Qu Dong and Ji Zhe (Beijing: Shangwu yinshuguan, 2011).

(10) William G. Skinner, “Marketing and Social Structure in Rural China, Part I.” *The Journal of Asian Studies* 24 (1964):3-43; Jacques Gernet, *Buddhism in Chinese Society: An Economic History from the Fifth to the Tenth Centuries*, trans. Geng Sheng. (Shanghai: Shanghai Guji chubanshe, 2004), pp.168-90.[hereafter BICS]

expressed and constructed through popular religion rather than through the more mainstream Confucianism, Buddhism and Taoism? What are the implications of the expression ways of the economic ethic in China for sociological studies of religion? In this regard, researchers have not yet found the answer and may even be attempting to seek answers in the wrong direction. There are two reasons for this situation: first, the complexity and uniqueness of China's religion-society configuration have significantly increased the difficulty of observing China's economic ethic; second, the existing research tools or paradigms are unable to offer consistent interpretations of both Chinese and Western complex religion-society forms, so researchers accustomed to relying on the "Weber proposition" to interpret the economic ethic of Chinese society.

Ignoring various bits and ends of arguments, the methodology and paradigm of the sociology of religion may be expressed in two research paths: individual rationality and collective rationality (social rationality).⁽¹¹⁾ In general, both Marx and Durkheim assumed the analytical position of collective rationality (Marx's collective rationality had class meaning), and Weber took the analytical perspective of individual rationality. The functionalism and other sociological theories of religion after the 20th century may be perceived as various efforts to bridge the gap between these two perspectives, such as the theories developed by Talcott Parsons, Robert K Merton, Niklas Luhmann, and Jeffrey C Alexander.⁽¹²⁾ However, the particularity of religion (or the religious ethic) is that it often presents individual rationality and collective rationality simultaneously. Thus, the endogenous interpretation of religion requires simultaneous interpretations of individual rationality and collective rationality, and consistent interpretations of the connotation (nature or function), diversity and evolution of religion. With regard to the sociology of religion, it is necessary to provide consistent interpretations of the diversity, change and path dependence of the form of religion-society. In light of Evolutionary Game Theory, the endogenous interpretation of religion or religion-society may be regarded as follows: "the equilibrium selected will be a function of the equilibrating process by means of which it is achieved."⁽¹³⁾

Obviously, functionalism and the subsequent sociological theories of religion exhibit more or fewer limitations in simultaneously interpreting individual rationality and collective rationality and remain unable to simultaneously explain the diversity of the religion-society configuration and its evolution. Therefore, in interpreting Chinese religion and society, which are exceedingly complex, existing theories invariably create such dilemmas that for Western scholars and those who are familiar with Western theories, China appears to be an exception to all existing principles.⁽¹⁴⁾ To address this dilemma, we adopted Game Theory, Evolutionary Game Theory, and the Transaction Cost Theory of modern economics to try to create an analytical tool for "social cooperation" or the "social cooperation ethic"⁽¹⁵⁾ that is conducive to placing different religion-society configurations on the same comparison basis, which helps to advance sociological studies of religion.

Next, we applied the tool of social cooperation (ethic) to analyze how the economic ethic in Chinese society is constructed in the religious structure of "diversity in unity." We observed a vast difference between the

(11) Peng Rui 彭睿, "Xiandai jingjixue zai zongjiao shehuixue zhong yingyong zhi zouyi" 现代经济学在宗教社会学中应用之刍议. *Zongjiao shehuixue* 宗教社会学 4 (2016): 283-319.

(12) Same as note 11.

(13) Ken Binmore, Preface for Weibull, J. W. 1995. *Evolutionary Game Theory* (Cambridge, Massachusetts: MIT Press, 1995), p. 5.

(14) Fei Xiaotong 费孝通, *Xiangtu Zhongguo Shengyu zhidu Xiangtu chongjian* 乡土中国·生育制度·乡土重建 (Beijing: Shangwu yinshuguan, 2011), p.369.[hereafter XTZG]

(15) Same as notes 11.

Chinese economic ethic and its Western counterpart, and both change processes can be explained within the same framework.

Change of Economic Ethic and the Weber Proposition from the Perspective of Social Cooperation

A Brief Introduction to Social Cooperation and The Social Cooperation Ethic

Game Theory explains that individuals will opt for “cooperation” to get out of the “prisoner’s dilemma” in repeated games, which is one of the great achievements of Game Theory.⁽¹⁶⁾ Ignoring the diversity of “cooperative strategy,” it may be simply stated that “cooperation” is exactly achieving the unity of individual rationality and collective rationality, which has inspired us to appropriately expand the concept of “cooperation” and introduce it into the analysis of religion and society. In economics, cooperation normally refers to synchronic cooperation, while “cooperation” in the religious sense can be expanded to “social cooperation” that includes both synchronic cooperation and diachronic cooperation. There are five types of basic social cooperation: human-nature cooperation, intergenerational cooperation, vertical cooperation, horizontal cooperation, and individual self-cooperation. In simple terms, human-nature cooperation addresses the issues of how humans understand, adapt to and use nature and involves the cooperative relationship between mankind and the natural world. “Intergenerational cooperation” is a type of cooperation that spans generations and is primarily the cooperation between living individuals and those of the past (and the future) and the accumulation and inheritance of human experience, knowledge, and moral norms between generations. “Vertical cooperation” and “horizontal cooperation” are two types of synchronic cooperation in economics; the former may be perceived simply as the principal-agent relationship within a system (e.g., an enterprise) or a division of labor and power structure of a hierarchy system, whereas the latter is a market-oriented division of labor and cooperation with characteristics of exchange and the market. “Individual self-cooperation” is the individual’s own cooperation at different times. Thus, human activities are a “social cooperation system” that includes both diachronicity and synchronicity whereas human society is a “social cooperative community” that includes both diachronicity and synchronicity.⁽¹⁷⁾

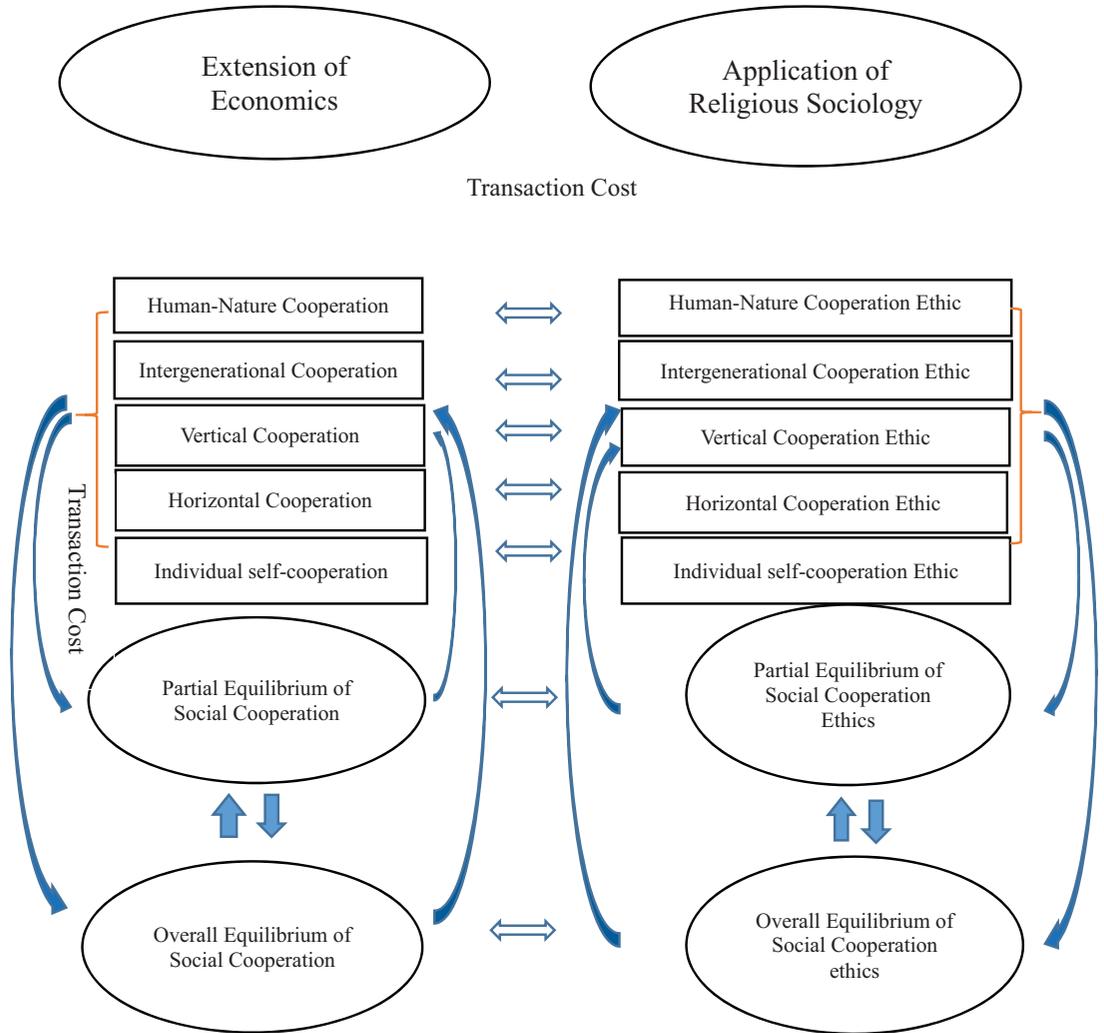
Transaction Cost Theory inspires us to associate the religious ethic with the reduction of the transaction costs of social cooperation and thus convert and decompose the religious ethic (system) to a number of types of “social cooperation ethic.” The “Coase Theorem” demonstrates that an equilibrium forms between the market (horizontal cooperation) and enterprises (vertical cooperation) because transaction costs always exists. In equilibrium, the costs of the two types of cooperation are identical and they can replace each other.⁽¹⁸⁾ By extension, within a sufficiently long observation period, the cooperation costs of the five types of social cooperation should also be equal, capable of reaching “an equilibrium of social cooperation”. Correspondingly, religious ethics should

(16) Zhang Weiyang 张维迎, *Boyi yu shehui* 博弈与社会 (Beijing: Beijing daxue chubanshe, 2013), p.128

(17) As note 11

(18) Ronald H. Coase, *The Firm, the Market, and the Law* (Chicago, Illinois: The University of Chicago Press, 1988), pp13-4. The economics expression of the Coase Theorem is as follows: under the zero transaction costs condition, if the rights of the various parties are well defined, the allocation of resources would reach equilibrium (i.e. the Pareto optimality) no matter what are the initial rights. Or, under conditions of complete competition, private costs will be equal to social costs.

Figure 1. Religion and society from the perspective of modern economics



also construct “an equilibrium of social cooperation ethics” to interpret the former equilibrium (See Figure 1 for details).

The analytical framework of social cooperation (ethic) contains core contents of the following two aspects:

(1) Social cooperation and its equilibrium occur at the level of social activities. Human activities are broken down into five types of social cooperation that include diachronicity and synchronicity, which achieve “equilibriums of social cooperation” due to the existence of transaction costs. The “overall equilibrium of social cooperation” that includes all types of social cooperation is the unity or equilibrium of individual rationality and collective rationality in the sense of society as a whole and social optimality or Pareto efficiency,⁽¹⁹⁾ manifesting

(19) In general, equilibrium is the optimal solution that is obtained based on the individual’s rationality, and Pareto efficiency (Pareto optimality) is a concept that is used to refer to society as a whole. In traditional economics, it is accepted that only the equilibrium achieved under a perfectly competitive market is Pareto-optimal whereas modern economics includes factors such as property rights and institutions in the discussion; thus, the equilibrium is generally Pareto efficiency. Because religion (ethic) directly portrays collective rationality, for the sake of ease of discussion, the concepts of equilibrium, collective rationality, social optimality, and Pareto efficiency are hereby used interchangeably.

as the overall institutions of the society. Social systems such as marriage-family, economy, politics, religious organizations, are “partial equilibriums of social cooperation” achieved by some but not all of the types of social cooperation. Once formed, these partial equilibriums achieve partial collective rationality of social systems and manifest as specific institutions such as marriage-family institution, economic institution, political institution and religious (organizational) institution.⁽²⁰⁾

(2) The social cooperation ethics and their equilibrium occur at the level of the religious ethic. The religious ethic is converted and organized into five types of social cooperation ethic, and all types of social cooperation ethic also reach “an equilibrium of social cooperation ethics.” The metaphysical theological philosophy is an intensive interpretation for all types of “social cooperation ethic” and “the overall equilibrium of the social cooperation ethics.” It provides the metaphysical interpretation of all types of “social cooperation ethic” and the “overall equilibrium of the social cooperation ethics” with consistency, self-consistency and holism. Theological philosophy and the religious ethic system also provide the “partial equilibrium of social cooperation” of each of the various social systems with the support of the “partial equilibrium of the social cooperation ethics,” which manifests as the marriage-family ethic, the economic ethic, the political ethic, and the religious organization ethic.

Moreover, because cooperation strategy (game strategies) and equilibrium are diversified, Evolutionary Game Theory further explores their stability and adaptability issues,⁽²¹⁾ which are also the evolutionary mechanism of the “social cooperation (ethics)” and the “equilibrium of social cooperation (ethics).”

In short, using Game Theory and Transaction Costs Theory, the connotation and function of religion can be converted into the interpretation and support system for each type of “social cooperation ethic” and “equilibrium of social cooperation ethics,” which opens the “black box” of religion-society relations and thus becomes a powerful tool for static and dynamic analyses of the sociology of religion. Here, the analytical tool of “social cooperation” and the “social cooperation ethic” allows researchers to maximally avoid the interference brought about by subjective consciousness (for example, “Western-centrism” or “Oriental centrism”) and interprets the diversity and change paths of the religion-society form from a more objective and rational perspective.

Economic System and The Economic Ethic from The Perspective of Social Cooperation

As the religious ethic can be converted to the social cooperation ethics and then further to social cooperation, religious forms and social forms have an endogenous relationship, both evolving simultaneously during the course of history.

First, with social development, the types of social cooperation are constantly diversifying; the importance of each type of social cooperation (or cost-benefit level) is also in flux, and its corresponding social cooperation ethics and overall equilibrium are also changing constantly. Second, with the expansion of the social cooperation community, the diversification of the type of cooperation and the increasing clarification and sophistication of the theological philosophy and religious ethic, some social systems (and their ethics) in the social community will gradually split off. This split will result in the manifestation of various relatively independent institutions and ethics such as marriage-family system, politics, economy, and religious organization. Third, as the cost-benefit level of each of the various types of social cooperation changes, the partial equilibrium of each of

(20) Here, we distinguish between religion and religious organization (or religious system), of which religion (theological philosophy in particular) provides ethical support and explanations for all social systems whereas religious organization (or institution) is only one of many social systems.

(21) Same as note 13.

social system, just as overall equilibrium, will also change. In other words, the types of social cooperation (ethic), the partial equilibrium, and the overall equilibrium are linked, mutually embedded, and co-evolving (Figure 1).

Here, the economic system (economic ethic) has always existed in human society; however, the economic system being an independent system, as a “partial equilibrium of social cooperation (ethics)”, is associated with the change in the type of social cooperation (ethic) and with the expression and construction of the “overall equilibrium of social cooperation (ethics).”

In early societies, “gift exchange” fulfilled important economic and social functions and could be considered the economic system of the early era, which has occupied the majority of human history. Compared with the “commodity” of the modern market economy, “gift” has a strong personality attribute as well as a strong natural attribute or spirituality. In general, “gift exchange” means the creation and continuation of certain debtor-creditor relationship as well as the conversion of power and obligations.⁽²²⁾ Therefore, “gift exchange” was not just related to the use value of the goods themselves, but was more associated with other social needs, such as nature worship and power, in the early times. The “gift exchange” mode obviously included various types of social cooperation such as “human-nature cooperation,” “intergenerational cooperation,” and “vertical cooperation.” Admittedly, “gift exchange” among tribes includes “horizontal cooperation,” but this cooperation type didn’t focus on individuals, and so was concealed by other types of social cooperation generally.

It should be noted that the connotation of “gift exchange” has been constantly changing. In the earliest simple societies, “human-nature cooperation” and “intergenerational cooperation” were the two most important types of social cooperation, constituting the “overall equilibrium of social cooperation.” Then, “gift exchange” also demonstrated these two types of social cooperation; for example, the gift contained the significance of spirituality and inheritance from generation to generation.⁽²³⁾ Later, as the importance of “vertical cooperation” (power or royal power) increased, gift exchange gradually contained the components of “vertical cooperation” (power). For example, the “tribute” of the Zhou Dynasty and the subsequent “tribute system” clearly reflected the sovereign of empire. So gift exchange was often blended with the political system although it was obviously different from the political system. In other words, each of the various systems of society began to take shape as a partial equilibrium but did not significantly deviate from the overall equilibrium.

Therefore, differing from pure communication function of gift exchange in modern society, the “gift exchange” mode of pre-capitalism was an important part of social cooperation; it was not only an important economic form but also deeply embedded in the overall system of society. In other words, the “gift exchange” mode has not yet been fully differentiated to be an independent economic system and cannot form a “partial equilibrium.” In this sense, gift exchange has never exited from a stage of history and has even continued to play or has re-played an important role today in many places and societies, especially in the case of being in major crises or incomplete markets.⁽²⁴⁾

(22) Marcel Mauss, *The Gift: The form and reason for exchange in archaic societies*, trans. Ji Zhe (Shanghai: Shanghai Renmin chubanshe, 2002), pp.22-23. [hereafter *The Gift*]; M.Godelier, *The Enigma of the Gift*, trans. Wang Yi (Shanghai: Shanghai Renmin chubanshe, 2007), p.5. [hereafter *EOG*]; Marshall Sahlins, *Stone Age Economics*. (Chicago & NY: Aldine-Atherton, Inc, 1972), p.150. [hereafter *SAE*] <https://libgen.pw/item/detail/id/799657?id=799657>

(23) Mauss, *The Gift*, pp.25-7; Godelier, *EOG*, pp.216-7; Sahlins, *SAE*, pp.165-8.

(24) Yang, Mayfair Mei-hui. *Gifts, Favors and Banquets: The Art of Social Relationships in China*, trans., Zhao xudong and Sun min (Nanjing: Jiangsu renmin chubanshe, 2009), pp.80-6.

As the types of social cooperation are diversified and horizontal cooperation becomes more and more important, economic system is gradually differentiates and independent from the “overall equilibrium” of the social community. Even so, people’s perception of the economic system is also changing. In other words, the establishment of economics is precisely the product that the economic system becomes an independent social system. Therefore, people’s perception of the economic system is reflected in the development of economics.

In the 16th and 17th centuries, with the Grand Geographical Discovery and development in other social areas, the importance of commerce and trade increased significantly, resulting in the prevailing mercantilist theories. From the mid-17th century, economists such as William Petty, Adam Smith, and David Ricardo developed classical (political) economics, enabling the study of economics to expand from circulation areas to production areas, in other words, the value of the commodity as the core. At the end of the 18th century, economics focused on market and price, which were dismissed by Marx as “vulgar economics”.⁽²⁵⁾ It was not until 1936 when Ronald H. Coase pioneered the study of the nature of enterprises⁽²⁶⁾ that modern Western economics gradually regarded enterprises and markets as different contractual arrangements among individuals or elements⁽²⁷⁾ and interpreted economic systems as “an equilibrium” between enterprises and markets (Coase Theorem). Since then, economics has paid more attention to the study of institutions and technological changes and New Institutional Economics is emerging (for example, North).⁽²⁸⁾ From the perspective of social cooperation, mercantilist only addresses “horizontal cooperation” (commerce and trade) whereas classical political economics simultaneously addresses “horizontal cooperation” (market and trade) and “vertical cooperation” (enterprises and production). At the end of the 18th century, economics reverted to the emphasis on “horizontal cooperation” (market and price), regarding enterprises as self-fulfilling production entities, and Coase turned economics back to the study of “horizontal cooperation” and “vertical cooperation.” Afterwards, the new institutional economics realized the close tie between economic systems and whole society (institutions). As a result, in the sense of technological, institutional, and social changes, North regarded Marx as a pioneer to integrate the limits and constraints of technology with those of human organization.⁽²⁹⁾

The gift exchange ethic and the capitalist (or market economy) economic ethic are quite different under the perspective of the social cooperation ethic and its equilibrium. The gift exchange ethic contains more diverse types of the social cooperation ethic and has not yet fully differentiated itself and become independent from “the overall equilibrium of the social cooperation ethics.” But the economic ethic of modern society--the market economy ethic or capitalist economy ethic, is prone to simply be regarded as only the business ethic or market ethic (the horizontal cooperation ethic) by mercantilist and vulgar economics dismissed by Marx. Only in classical political economics and the economics of Coase, the economic ethic is “an equilibrium of the social cooperation ethics” comprised of the enterprise ethic (the vertical cooperation ethic) and the business or market ethic (the horizontal cooperation ethic) whereas the new institutional economics further recognizes that the economics ethic is only

(25) Karl Marx, “Capital” in *Marx/Engels Collected Works*, V.1, bk 5, ed. Bureau of Works of Marx, Engels, Lenin, and Stalin (Beijing: Renmin chubanshe, 2009), p.98.

(26) Coase, “The Nature of the Firm.” *Economica*, 4 (1937): 386-405.

(27) Coase, *The Firm, the Market, and the Law*, pp.115-6

(28) Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge: Cambridge University Press, 1990).

(29) North, *Institutions, Institutional Change and Economic Performance*, p.132

a “partial equilibrium” and closely associated with the “overall equilibrium of the social cooperation ethics”, in other words, social institutions as a whole and their changes.

The “Weber Proposition” from The Perspective of Social Cooperation

Basically, the vertical business ethic is reflected in areas such as leadership, obedience, loyalty, and execution whereas the horizontal business or market ethic is reflected in areas such as equality, honesty, freedom, and justice. These two types of social ethic are designed to reduce transaction costs in the two types of social cooperation. Here, the economic ethic is a “partial equilibrium” reached by these two types of ethic. Therefore, in terms of the social cooperation ethics and their equilibrium, Weber’s interpretation on the affinity between Protestantism and capitalism⁽³⁰⁾ is in fact the illustration of how the Protestantism express the vertical cooperation ethic and the horizontal cooperation ethic and how facilitate the two to reach an agreement and to build the economic ethic of capitalism, a type of “partial equilibrium”. Consequently, the process promotes or responds to the differentiation and the independence of economic systems from society as a whole, forming the rational capitalism.

According to Weber, the “calling” of Protestantism and the spirit of asceticism rendered the division of labor and the generation of profits legitimate (dissociated from morality), and the production organization process of rational capitalism was a gradual process of “Entzauberung”.⁽³¹⁾ Weber’s conclusion can be interpreted as that the Protestant ethic weakens the traditional “human-nature cooperation ethic” and “intergenerational cooperation ethic” (Entzauberung) and regards vertical cooperation and horizontal cooperation as certain homogeneous divisions of labor. The homogeneity highlights the legitimacy of both the “vertical cooperation ethic” and the “horizontal cooperation ethic,” and reflects their consistency (the Calling and asceticism). Therefore, through the “vertical cooperation ethic” within an enterprise and the “horizontal cooperation ethic” of the external market, the “partial equilibrium of social cooperation ethics,” i.e., the capitalist economic ethic (spirits) is achieved. Consequently, the capitalist economic system (ethic), as a “partial equilibrium”, gradually differentiated and became independent of the overall equilibrium of traditional society.

Although Weber’s observation on the relationship between Protestantism and capitalism was sharp and insightful, he failed to fully appreciate that there is a more complex inherent relation between the partial equilibrium of economic system and the overall equilibrium of society, and that various religions-society’s “overall equilibrium” and the changes are diverse and path-dependent. Therefore, Weber generalized his observation on the differentiation and independent process of the modern Western economic system to a rational economic mode and the modernity proposition. Based on this, he further examined the relationship among various religions in the world and economics (or society). This method has great limitations and has been questioned by many people. For example, Weber argued in “Religions in China” that the main reason that China failed to successfully develop “rational bourgeois capitalism” was the lack of a special religious ethic as an indispensable inspirational force.⁽³²⁾ However, throughout history, China has always had

(30) Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans., Kang Le, Jian Huimei (Guilin: Guangxi Shifandaxue chubanshe, 2010)

(31) Weber, *The Protestant Ethic and the Spirit of Capitalism*, p.139; Anthony Giddens, *Capitalism and Modern Social Theory: An Analysis of the Writings of Marx, Durkheim and Max Weber* (Cambridge: Cambridge University Press, 1971), pp. 119-32.

(32) Yang Qingkun 杨庆堃, Weibo Zhongguo de zongjiao de daolun 韦伯《中国的宗教》的导论 in *Religion in China: Confucianism and Taoism* (Guilin: Guangxi Shifan chubanshe, 2010), p. 330.

its own economic model and economic ethic and its own processes of change that were not directed toward capitalism in Weber's sense.

The Horizontal Cooperation Ethic in Chinese Society and its Evolution

Early Chinese economic activities were also dominated by the "gift exchange" mode, which even plays an important role in today's China.⁽³³⁾ However, after entering civilized society, in different historical periods, China has experienced economic prosperity and developed various economic models, indicating that historically, China have had its own economic system and economic ethic constructions as well as its own paths of change and path-dependence. Since the economic ethic in modern society is a "partial equilibrium" comprising the horizontal cooperation ethic (business or market) and the vertical cooperation ethic (internal power of enterprises), in Sections 3, 4 and 5, we analyze China's economic ethic in the order of "horizontal cooperation ethic," "vertical cooperation ethic," and "partial equilibrium."

God of *Sheji* (社稷神, God of state) in The Zhou Dynasty and The Impact from Mohism

From the perspective of social cooperation, the "gift exchange ethic" in primitive societies was built through clan or tribe totem belief systems, mostly concerning "human-nature cooperation" and "intergenerational cooperation". During the Zhou Dynasty, the Chinese society as a whole was a natural farming economy under the clan system and already has a fairly mature state and social institutions. In the natural economic model of the clan community, the primary social cooperation types were "human-nature cooperation," "intergenerational cooperation," and "vertical cooperation"; and the economic system was the "partial equilibrium" constructed by these three types of social cooperation. However, the boundary among various "partial equilibriums" (economic system, political system and the marriage-family system) was rather ambiguous, so was the boundary between these partial equilibriums and the "overall equilibrium". Thus, Zhou Dynasty established various institutions of politics, clan marriage, and economy, but they were highly integrated, such as the patriarchal clan institution and feudal institution.⁽³⁴⁾

Certainly, "horizontal cooperation" was also present in the clan economic community of the Zhou Dynasty although it was relatively insignificant, limited to the local level or communities and lacking the characteristics of universalism. In other words, horizontal cooperation in the Zhou Dynasty did not exhibit its own significance and was mostly embedded in the "overall equilibrium" (overall wellbeing) at the local level. Thus, in terms of religious institutional arrangements, the "horizontal cooperation ethic" of the Zhou Dynasty was not built independently but was manifested in the construction of the God of *SheJi*, which was a symbol of overall wellbeing at the local level.

The God of *She* (社, land) and The God of *Ji* (稷, grain) originated in the "human-nature cooperation" ethic (and function), which were later merged into the God of *Sheji* to become the symbol of local communities (vassal states in particular). The God of *She* was derived from the worship of the land whereas the God of *Ji* was derived from the worship of grain. The emperors and princes of the Zhou dynasty had their own Gods of *Sheji* in their territories, and those gods were gradually associated with the ancient characters, which were matched with the princes in the hierarchy, some of whom might be ancestors of the princes (e.g., the people of the Principality of

(33) Yan, Yunxiang, *The Flow of Gifts: Reciprocity and Social Networks in a Chinese Village* (Stanford: Stanford University Press, 1996); Yang, Mayfair Mei-hui, *Gifts, Favors and Banquets: The Art of Social Relationships in China*

(34) Wang Guowei 王国维, "Yin Zhou zhidu lun 殷周制度论," in *Guantanglin ji 观堂林集*, Vol. X (Beijing: Zhonghua shuju, 1959), pp. 451-80.

Chu were offspring of the God Zhurong); thus, the princes' worship of these Gods of *Sheji* was also the continuity and extension of ancestor worship.⁽³⁵⁾ The Gods of *Sheji* gradually acquired multiple functions and the ethics of "human-nature cooperation," "intergenerational cooperation," and "vertical cooperation," and became symbols of the local communities (principalities), indicating the overall wellbeing (equilibrium) of the local communities. The "horizontal cooperation" at local level was naturally included in the local "overall equilibrium".

With the ever-increasing significance of "horizontal cooperation" (also including "vertical cooperation"), the social cooperation system of the Zhou Dynasty was gradually unable to meet the needs of the times. In this sense, "the Contention of a Hundred Schools of Thought" in the period of Warring Kingdoms was a grand discussion on issues of various types of social cooperation (ethic) and their equilibriums represented by different schools of thoughts. Among them, Legalists (法家) emphasized the "vertical cooperation" of royal power, Taoists focused on the "human-nature cooperation", and Confucians inherited the tradition and emphasized "vertical cooperation" and "intergenerational cooperation"; the Mohists (墨家) focused on "horizontal cooperation."

Mohists, who originated from the lower warrior class and were good mechanics and artisans, emphasized "all-embracing love" (兼爱) and believed that "God existed; that he loves mankind; and that His Will is that all men should love each other". They did not avoid talking about "benefit" (利), advocated utilitarianism, and believed that "so-called righteousness was nothing but benefit" (义, 利也), in other words, righteousness and benefit are consistent and prove the correctness of universal love from the utilitarian perspective. Notably, Mohists also advocated the achievement of universal love and harmony through the state's political authority and regulations, and the discipline within Mohist groups was also quite strict. The head of the group was called "Juzi" (钜子), who had a life and death authority over all members of the group.⁽³⁶⁾ Thus, Mohism represented the social cooperation concepts of the middle and lower non-farming strata, emphasizing equality and mutual benefits and highlighting the "horizontal cooperation (ethic)." At the same time, Mohists also emphasized the "vertical cooperation ethic" that included absolute authority, which appeared to contradict the "horizontal cooperation ethic" but in fact reflected the needs of the real society to achieve certain equilibrium by "horizontal cooperation" and "vertical cooperation" (the Coase Theorem).

Mohists' territoriality-transcending and universalistic "horizontal cooperation ethic" dealt a huge shock to the traditional society of that time. Regarding this, Mencius once said, "The words of *Yang Zhu* and *Mo Di* are spread over all the places, and the words that reach every corner of the world are always from *Mo Di*'s if not *Yang Zhu*'s." ("杨朱、墨翟之言盈天下, 天下之言, 不归于杨则归墨。") (Menzi Teng wengong, 孟子·滕文公下). However, the "vertical cooperation" within a group advocated by Mohism was not fully coordinated with the "vertical cooperation" at the monarchy or national level and neglected the "intergenerational cooperation" of the patriarchal system that was based on ritual culture and kinship. In addition, although Mohists mentioned the Emperor of Heaven and the ghosts and gods, in general, they obviously ignored "human-nature cooperation". Therefore, Mohism underscored the "horizontal cooperation" and "vertical cooperation" within a group while relatively weakening "intergenerational cooperation" and "human-nature cooperation" and being unable to adapt to the monarchial "vertical cooperation"; these ideas were too "modern" for that farming society with clans at its

(35) Li Shen 李申, *Zhongguo Rujaoshi* 中国儒教史 Vol. 1, (Shanghai: Shanghai Renmin chubanshe, 1999), pp.36-7; Ding Shan 丁山, *Zhongguo gudai zongjiao yu shenhua kao* 中国古代宗教与神话考 (Shanghai: Shanghai shudian chubanshe, 2011), pp.45-8.

(36) Fung Yu-Lan, *A Short History of Chinese Philosophy* (New York: The Free Press, 1966), pp.49-59.

core. Thus, despite its once great impact on traditional society, the “horizontal cooperation ethic” advocated by Mohists ultimately faded.

Chenghuang Gods (城隍神, City gods) after the Han Dynasty and the Impact of Buddhism

In “Contention of a Hundred Schools of Thought”, Confucianism gave the most comprehensive interpretation of the social cooperation ethics and their equilibrium. First, Confucianism strongly emphasized the inheritance of the traditional ethic system, which mainly included vertical cooperation and intergenerational cooperation. Second, Confucians proposed ethical interpretations consistent with the reality of society; e.g., Confucians’ class-blind education (“Dao of Teaching” 师道) was a breakthrough in kinship-based intergenerational cooperation, and *Dong Zhongshu*’s (董仲舒) ideology of “heaven-human induction” (天人感应) included “human-nature cooperation” in the Confucian system. Third, a significant feature of Confucianism was that it viewed the “overall equilibrium” as a physical existence (“Heaven”) and the maintenance of the overall wellbeing of the community as a solemn responsibility (“World View”). Based on these, Confucianism eventually attained an official religious status in the Han Dynasty: “the Monopoly by Confucianism” (独尊儒术). Since then, various sacrificial systems officially established and perfected by Confucianism, such as *Jiaosi* (郊祀 outskirts sacrifice), *Fengshan* (封禅 sacrifice to heaven), royal ancestor worship ceremonies, sacrificial ceremonies for the gods of heaven and earth, sacrificial ceremonies for Confucius, sacrificial ceremonies for important loyal and valiant officials and for folk ancestors,⁽³⁷⁾ can be understood as providing ethical support for vertical cooperation, intergenerational cooperation, and human-nature cooperation (in other words, “*Shen Dao She Jiao*” 神道设教, instructing people through religion). Obviously, in the grand ethical system of Confucianism, support for the horizontal cooperation ethic was rather weak. For example, among Confucianism’s “five relationships ethics” (五伦), the elaboration on the ethic of “friend”, which represents horizontal relations, was the weakest. In fact, the “horizontal cooperation ethic” of Confucianism remained embodied in the overall wellbeing (overall equilibrium) of the local community, manifesting in the construction of the City god or Land God, not pertaining to kinship.

After the monarchy system of the Qin and Han Dynasties, the kinship-based relationship between the Gods of *Sheji* and local communities was gradually eliminated, causing these gods to return to their natural god attributes of the early period.⁽³⁸⁾ However, with the continuous diversification of the type of social cooperation in the local civil society, personified gods were conducive to the expression of a cooperation ethic richer in content; thus, the personified City God and Land God came into being. The City God (or Land God) originally belonged to folk beliefs, a nature god at the very beginning, and was gradually assumed to be human ghosts beginning in the Han Dynasty (some believed that this belief began in the Sui and Tang Dynasties). Their functions were extended to blessing and protecting local residents, dispelling disasters, punishing evil, appeasing ghosts, penalizing evil people and promoting the good, supervising officials, deterring criminals, etc., thus becoming a new symbol of the overall wellbeing of the local community. Later, to adapt to the needs of imperial politics, the City Gods was included in the National Sacrificial Ceremony during the Song Dynasty and further became a complete imperial hierarchical worship system during the Ming Dynasty.⁽³⁹⁾ Thus, the City God gradually changed from the original

(37) Li Shen, *Zhongguo Rujiaoshi*

(38) Li Shen, *Zhongguo Rujiaoshi*, p.37.

(39) Zheng tuyou and Wang xianmiao 郑土有、王贤淼, *Zhongguo chenghuang xinyang* 中国城隍信仰 (Shanghai: Sanlian shudian shanghai fendian, 1994), pp.75-124.

local protective nature gods to a personified social god possessing various social cooperation functions, a symbol of the overall equilibrium of local communities. Through the overall equilibrium, the City God acquired the function and the ethic of the “horizontal cooperation” of local communities. In particular, it is worth noting that the human ghost manifested by the City God generally had no kinship with local officials and local residents, or the kinship was not the focus, indicating the construction of a god that transcended local clans. Therefore, the construction of the horizontal cooperation ethic of Chinese society changed from the *God of sheji* that was embedded in kinship-based relations to the City God that was embedded in non-kinship-based relations, which clearly had a certain universal significance although the change remained limited to the local level.

As the Grand Unification advanced, the cost-benefit level of the cross-regional or universal “horizontal cooperation” was increasing. Coupled with technological development, horizontal cooperation became increasingly more important; thus, the “horizontal cooperation ethic” in a universal sense (or market sense) was about to emerge. However, Confucianism was generally regulated by its “structure of grade” (差序格局)⁽⁴⁰⁾ and imperial politics ethic, and the universal “horizontal cooperation ethic” has always been under certain degrees of suppression, manifesting in the policy tendency of “prioritizing farming and inhibiting commerce (industry)” in every dynasty. Moreover, the Taoism based on the traditional society tended to view the “horizontal cooperation” (usually an unfamiliar force) as the factor triggering an “abnormal” social order. Regarding “abnormal” or “non-ordinary” horizontal forces (for example, demons and devils), Taoists believed they are a reasonable part of a society (one of the changes of Dao) and impossible to eliminate or defeat; therefore, in Taoist prayer and charming ceremonies, they were exposed to their original forms or expelled by a divine power so that tragedies, disasters, diseases, evils and demons were avoided or overcome, achieving peace and wellbeing in a specific community (generally a community of acquaintances).⁽⁴¹⁾ Thus, regarding “horizontal cooperation”, Taoism generally promoted active defensive thinking, rendering it difficult to effectively construct the “horizontal cooperation ethic” in a universal sense. In fact, in the early imperial era, the greatest shock to the “horizontal cooperation ethic” of Chinese society came from Buddhism, which had originated in India.

Although Buddhism advocates emptiness (Kong, 空), in practice, it is quite practical in that all measures can be taken to deliver all sentient beings from torment and requires theism to construct its social cooperation ethic. Therefore, in practice, mainstream Chinese Buddhism ultimately adopted the Nirvana Buddha-nature treatise of “wonderful existence” (妙有) rather than choosing the wisdom of *prajna* (般若) that uses *Nihsvabhava* (the absence of intrinsic nature) to demonstrate that all phenomena in the world are empty⁽⁴²⁾ because the former helps construct various social cooperation ethics. Therefore, it is the “wonderful existence”, not the “emptiness”, and the concrete “minds” and “nature,” not the Buddha as an abstract noumenon, that enable Buddhism to be better associated with the social cooperation ethic and thus disseminated. For example, Buddhism’s early dissemination in China was based on supernatural powers (theurgy), and its popular teaching doctrines and styles were similar to those of China’s then Huanglao witchcraft. During the Han Dynasty, Buddhism was viewed as one of the magic power practices,⁽⁴³⁾ which suggested “human-nature cooperation”; early Buddhism had fiercely resisted

(40) Fei Xiaotong, *XTZG*, p.15

(41) Li Fengmao 李丰楙, *shenhua yu bianyi: yige “chang yu feichang” de wenhua siwei* 神化与变异: 一个“常与非常”的文化思维 (Beijing: Zhonghua shuju, 2010), pp.12-3; Fu Qinjia 傅勤家, *Zhongguo daojiao shi* 中国道教史 (Beijing: Shangwu yinshuguan, 2011), pp. 92-3.

(42) Taixu 太虚, *Fuxue changshi* 佛学常识 (Beijing: Zhonghua shuju, 2010), pp.77-80; Lai Yonghai 赖永海, *Zhongguo foxing lun* 中国佛性论 (Nanjing: Jiangsu renmin chubanshe, 2012), pp.272-7.

(43) Tang Yongtong 汤用彤, *Han Wei liang Jin Nanbeichao fojiao shi* 汉魏两晋南北朝佛教史 (Beijing: Shangwu yinshuguan, 2015), p.95.

China's imperial power, and the development of some extremist ideas among the lower classes of society even triggered a series of rebellious riots by the monks,⁽⁴⁴⁾ which indicates “vertical cooperation.” However, theurgy of Buddhism tended to mix with witchcraft in the lower classes of society and be abused and even incite rebellions, which were bound to subject it to the government's suppression. Therefore, in its Chinalization process, Buddhism gradually weakened its theurgical aspects and slowly subdued itself to China's “imperial power” and “filial piety” regarding “vertical cooperation” and “intergenerational cooperation”.⁽⁴⁵⁾ However, in terms of the “horizontal cooperation (ethic)”, the influence and shock of Buddhism on traditional Chinese society nevertheless peaked during the Tang Dynasty.

The notion that “all sentient beings have Buddha nature”, initiated by Daosheng (355-434), was the mainstream of China's Buddhist connotation,⁽⁴⁶⁾ and Huineng, the Sixth Patriarch of Zen (638-713), introduced Buddhism to the general public, which was instrumental in breaking the hierarchy system of Confucian etiquette and law and developing horizontal relations in society. According to Zürcher's analysis, the monks depicted in *Gao Seng Zhuan* (高僧传 *Biographies of Master Monks*) were mostly from the lower classes of society because monasteries or sangha during that time assumed the functions of academic and educational institutions and had a tremendous appeal to people of humble origin. Therefore, Buddhism made a special contribution to the destruction of the inherent hierarchy in ancient China.⁽⁴⁷⁾ Moreover, Gernet analyzed the relationship between Buddhism and the economy (before and after the Tang Dynasty). First, Buddhism recognition of equality among people, alms-giving and charity activities, industrial and commercial activities and the lending activities of monks and monasteries, and official tax preferential policies for religion rendered Buddhism a great promoter of economic activities and even engendered powerful financial services institutions such as the *Wujingcang* Monastery pertaining to the *Sanjiejiao* connotation (三阶教无尽藏). Second, the expansion of Buddhist economic forces gradually affected the entire society. For example, in the course of operations, the classes of farmers and agricultural workers moved toward the employer-employee relationship, personal interests, and a monetary economy, which had a huge impact on the traditional social structures that also triggered reactionary forces against the Buddhist movement. Moreover, although the accumulation of wealth demonstrated certain charitable Buddhist behaviors, a more conspicuous tendency was the indulgence of grandiose monastery temples and excessive overhead, particularly in the upper classes. Therefore, Gernet argued, “ Under the Tang, however, a new mentality, which can be qualified as commercial, began to gain ground. It made its appearance precisely in those milieus that had shown greatest fervor: among monks and the families of wealthy lay followers. Avarice broke down the old systems of relationships, led to the isolation of the social classes, and hence undermined the very foundations of the religious movement”.⁽⁴⁸⁾

Buddhism's appeal to people at the bottom levels of society in education and Buddhist organizations' promotion of economic development embodied the idea of equality advocated by Buddhism and the universal “horizontal cooperation ethic”. However, it was impossible for Buddhism to construct a type of “horizontal

(44) Ma xisha and Han bingfang 马西沙、韩秉方, *Zhongguo minjian zongjiao shi* 中国民间宗教史 (Beijing: Zhongguo shehui kexue chubanshe, 2004), pp.44-8.

(45) Zhangjian 张践, *Zhongguo gudai zhengjiao guanxi shi* 中国古代政教关系史 (Beijing: Zhongguo shehui kexue chubanshe, 2012), pp. 716-18, pp.551-79.

(46) Lai yonghai 赖永海, *Zhongguo foxing lun*, pp.2.

(47) Zürcher, Erich, *The Buddhist Conquest of China: The Spread and Adaption of Buddhism in Early Medieval China* (Leiden, Netherlands: E.J. Brill, 1972), pp. 7-11

(48) Jacques Gernet, *BICS*, pp.3-5, pp. 294-99, p.305.

cooperation ethic” that enabled its complete integration and coordination into traditional society. For example, when individual economic organizations develop vertical cooperation structures (like employer-employee relation), how to achieve consistency with the official vertical structure of the traditional society (imperial politics) and the vertical structure of patriarchy (paternity or clan authority) is a dilemma. Another dilemma is when the individual economy succeeds, how to link it to the overall welfare of the secular society rather than spend it on extravagant and wasteful appearances. In these areas, Buddhism seemed to be at a loss, which led to conflicts with the traditional society and governmental suppression. Regarding these conflicts, Baizhang Huaihai (?-814) formulated the “Baizhang Commandments” (百丈清规) advocating the small-size Buddhist temple model in which complete equality among monks within a temple regardless of rank was implemented. In these temples, all monks were required to labor together and living expenses were equally allocated, the large expenditures for building Buddhist statues were denied, and a farming-Zen mode that was self-reliant and self-sufficient was further developed, enabling Buddhism to adapt and return to the traditional Chinese agricultural society. Therefore, the “Baizhang Commandments” were also considered a symbol of Buddhism’s organizational accomplishment of the Chinalization process.⁽⁴⁹⁾

In summary, because the inherent tendency of the Buddhist philosophy is “emptiness” or because the counterforce against the impact of Buddhism’s “horizontal cooperation ethic” on traditional society was too strong, Buddhism eventually retreated and gave up the interpreting opportunities brought about by the “horizontal cooperation ethic,” turning to adapt to China’s traditional agricultural society. Thus, in its Chinalization process, Buddhism sequentially abandoned various ethical constructions such as “human-nature cooperation”, “vertical cooperation”, “intergenerational cooperation”, “horizontal cooperation” and ultimately adhered to the “individual self-cooperation ethic”, which has become its dominant social cooperation ethic. The influence of Buddhism’s “reincarnation” and “karma” on Chinese people has been second to none, and its ritual of “soul salvation” has occupied a certain dominant position in the Chinese funeral ceremony,⁽⁵⁰⁾ reflecting the “individual self-cooperation ethic” supported by Buddhism. In particular, the purpose of becoming a Buddha in Mahayana Buddhism was to deliver all sentient beings from torment (self-delivery also delivers others), and this type of social “Great Love” that extends beyond the life cycle also fits the ideal of realizing one’s self-value in society in traditional Chinese thinking.

Integration through Popular Gods After the Song Dynasty

Three mainstream religions, Confucianism, Buddhism, and Taoism, were all intended to provide various types of the social cooperation ethic for Chinese society. However, during the long competition and integration of the three religions, the dominant ethic of Confucianism was gradually reflected in “intergenerational cooperation”, “vertical cooperation”, and the social “individual self-cooperation” whereas Taoism focused on “human-nature cooperation” and Buddhism on “individual self-cooperation.” Thus, various social cooperation ethics after the Tang and Song Dynasties were provided separately by Confucianism, Buddhism, Taoism, exhibiting a “menu-styled” pattern. On this basis, under the dominance of the official Confucianism, the three religions worked together to build the

(49) Zhangjia, *Zhongguo gudai zhengjiao guanxi shi*, pp.778-82; Xie chongguang 谢重光, *Zhongguo fojiao sengguan zhidu he shehui shenghuo* 中国佛教僧官制度和社会生活 (Beijing: Shangwu yinshuguan, 2009), pp.283-90.

(50) Timothy Brook, *Praying for Power: Buddhism and the Formation of Gentry Society in Late-Ming China* (Cambridge, Mass.: Harvard University Press, 1993), pp. 99-104.

“overall equilibrium of the social cooperation ethics” with their respective advantageous ethics in “three-religion harmony.”

It is noteworthy that after Buddhism retreated from the “horizontal cooperation ethic”, the support from the three religions for the “horizontal cooperation ethic” in a universal sense became relatively weak. However, the “three-religion harmony” strengthened the “grand unification” society of imperial politics, which stimulated the demand for universal “horizontal cooperation (ethic)” of cross-region and cross-community. As a result, since the Song Dynasty, Chinese society has formed a unique manner of constructing the “horizontal cooperation ethic”, which is the title-granting (敕封) movement of popular gods jointly promoted by folk society and the central government. Of these, the title-granting of *Guandi* and *Mazu* were the most representative.

Guandi (*Guan Gong*, *Guan Yu*) beliefs and *Mazu* beliefs were originally local folk beliefs, primarily originating from the worship of “devil ghosts” or “unnatural deaths.” Soon, however, they acquired the features and functions of the City God or community god and became the symbol of the overall equilibrium (well-being) of local society and included the function of the “horizontal cooperation ethic” at local level. From the perspective of social cooperation, the reason that *Guan Yu* and *Mazu* beliefs were able to spread from the local community to a large region and even the entire country is that from their own nature, e.g., the “righteousness” (义) of *Guan Yu* and the “kindness” (慈) of *Mazu*, they tended to build a “horizontal cooperation ethic” in a universal sense. The god of folk worship that had the greatest potential to construct a “horizontal cooperation ethic” was most likely to develop into regional and even national worship and thus became a universal god or almighty god (but not the supreme god) possessing all the functions of the social cooperation ethic. Therefore, Hansen observed that the dissemination of folk deities during the Song Dynasty was tightly connected to the development of commerce and trade (the “horizontal cooperation ethic”).⁽⁵¹⁾

Significantly different from the Mohist and Buddhist “horizontal cooperation ethic”, the “horizontal cooperation ethic” that developed through popular religion did not conflict with traditional society. In addition, the *Guandi* and *Mazu* beliefs originating in the folk society have enjoyed continuous title-granting from the central government for one thousand years since the Song Dynasty, being included in official sacrificial ceremonies and widely worshiped in folk society, and have become the nationwide worship. Therefore, after the Song Dynasty, *Guandi* and *Mazu* increasingly became the most prominent gods of trades, gods of commerce unions, gods of business, or gods of wealth, bringing in a particularly prosperous temple fair economy.

The rise and success of popular religion (particularly the worship of the popular gods of the general public) after the Song dynasty are attributed to popular religion’s very special constructions: the underscoring of the “horizontal cooperation ethic” that was commonly neglected by Confucianism, Buddhism, and Taoism through the “three-religion harmony”. Understandably, during the Tang and Song Dynasties when the respective advantageous social cooperation ethic of Confucianism, Buddhism and Taoism were ascertained, to acquire the stability and disseminability of functional expansion, popular gods originating in local and folk society often created their own images by utilizing the advantageous social cooperation ethic of Confucianism, Buddhism, and Taoism or theological resources. For their own competitive needs, Confucianism, Buddhism and Taoism were also willing to actively furnish these gods with theological philosophical support, for example, by bestowing titles to incorporate the gods into their own shrine systems. Thus, the “human-nature cooperation ethic” of popular gods came most often from Taoism, the “intergenerational cooperation ethic” and the “vertical cooperation ethic” came from

(51) Valeri Hansen, *Changing Gods In Medieval China*, 1127-1276, trans., Bao Weimin (Hangzhou: Zhejiang renmin chubanshe, 1999), pp2,72-.

Confucianism, and the “individual self-cooperation ethic” came from Confucianism or Buddhism. It is worth noting that even the “horizontal cooperation ethic” that best represented the nature of the popular gods of the general public, despite initially originated from some qualities of popular gods themselves, the ultimate theological support came from Confucianism (for example, the “righteousness” of *Guandi*), Buddhism (for example, the “kindness” of *Mazu*), or even Taoism (for example, *Xu Zhen Jun* (许真君) worship in *Jiangxi* Province). Thus, popular gods themselves were a form of the “three-religion harmony”, highlighting the “horizontal cooperation ethic” that was originally implied in Confucianism or Buddhism (or even Taoism) but often overlooked by mainstream (upper echelon) society.

Therefore, the “horizontal cooperation ethic” in Chinese society after the Song Dynasty was primarily provided through popular religion. The rise of popular gods in the Song Dynasty was an endogenous outcome of Chinese religion and society, having an affinity with traditional society. At this time, popular gods, as independent deities, were deficient in their own theological philosophy despite attempting to provide all of the types of social cooperation ethic as Confucianism, Buddhism, and Taoism previously had; thus, people were more inclined to regard the horizontal cooperation ethic as the dominant ethic of the popular gods. It is worth emphasizing that although the “horizontal cooperation ethic” was the dominant ethic of popular religion, its source was in fact diverse. Popular gods can come from different places, and their theological support can also come from Confucianism or Buddhism (or even Taoism). Therefore, in Chinese society after the Song Dynasty, Confucianism, Buddhism, Taoism, and popular religions built a broader “menu-styled” pattern of the social cooperation ethic together and further formed the religion and society pattern of “diversity in unity” on the basis of the “three-religion harmony.”

The Vertical Cooperation Ethic in Chinese Society and Its Evolution

Olsen demonstrated that because of opportunism among individuals and “free-riders” in collective activities, individual rationality couldn’t automatically achieve collective rationality (in other words, Pareto efficiency); therefore, with the increasing collective scale, the emergence of organizational structure and internal organizational power was a necessary condition for achieving collective rationality. A large-scale collective organization’s deficiency in power structures and a “vertical cooperation ethic” will lead to the disorder of social cooperation and the decline of social wellbeing.⁽⁵²⁾ Thus, with increasing social development and division of labor, the expanding community and various social organizations must inevitably build internal power structures and a “vertical cooperation ethic.”

In Western societies, Christianity, which has a monopoly, has provided all types of social cooperation ethic including the “vertical cooperation ethic”. In principle, Christianity does not deny the existence of a “vertical cooperation ethic” within secular government outside churches, for example, “Give to Caesar what is Caesar’s and to God what is God’s”. However, Christianity often tended to underscore the sacredness or validity of the church organization in vertical cooperation that allowed the medieval churches to interfere their authority over secular society, resulting in conflicts with the government over secular jurisdiction, in other words, the conflict between religious power and political power. However, during the Protestantism era, this type of church-government conflict gradually shifted to favoring secular organizations. In particular, the connotation of the Calling emphasized by

(52) Mancur Olsen, *The Logic of Collective Action: Public Goods and The Theory of Groups* (Cambridge, Mass.: Harvard University press, 1971), p.46. <https://libgen.pw/item/detail/id/397507?id=397507>

Weber in the Protestant ethic provided a more solid foundation for the “vertical cooperation ethic” within secular enterprises.

In Chinese society, things have been different. The Chinese imperial system originated in the early clan system: both emperors and princes should be *Da Zong* (大宗 the principal wives’ eldest sons) who led other sons.⁽⁵³⁾ Thus, the legality of power in vertical cooperation was mostly derived from the traditional kinship-based intergenerational cooperation (the hereditary institution). Especially in the earliest times, vertical cooperation and kinship-based intergenerational cooperation were even in unity, manifesting as the patriarchal institution and the feudal institution in the Zhou Dynasty. After the Qin System replaced the Zhou System, things changed, and the vertical cooperation originating from the kinship-based intergenerational cooperation remained intact in clan or family in the forms of “filial piety” (孝), “Fathers have fathers’ morals, and sons have sons’ morals” (父父、子子), patriarchy and clan authority. However, the vertical cooperation ethic of the imperial power of the empire emphasized the monarch-courtier ethic: “monarchs have monarchs’ morals, and courtiers have courtiers’ morals” (君君、臣臣) or “loyalty” (忠). Although “loyalty” and “filial piety” overlap to some extent (e.g., “*Xiao Jing*” 孝经), “dilemmas of loyalty and filial piety” have been widely present. Therefore, with regard to the vertical cooperation ethic, certain tensions existed between the clan (or family) and the empire. Certainly, however, imperial politics had the primacy and thus the overwhelming power.

From the perspective of equilibrium, Chinese imperial politics may be understood to be a “partial equilibrium” constructed by “vertical cooperation” and “intergenerational cooperation”. The imperial power (leader) has always been a kinship-based intergenerational inheritance whereas the bureaucratic class (executor) changed from kinship-based intergenerational inheritance to open-styled intergenerational inheritance, in other words, *Menfa* politics (门阀政治 aristocracy politics) of early times was transformed into the imperial examination system after the Tang and Song Dynasties. Obviously, the imperial examination system was conducive to the consolidation of imperial politics. In the “menu-style” pattern of the social cooperation ethic, Confucianism was precisely the provider of the “vertical cooperation ethic” and the “intergenerational cooperation ethic”. Therefore, Confucianism had a close affinity with imperial politics, manifested in the union of politics and religion or in the union of politics and sacrificial system.⁽⁵⁴⁾ In this ethic and institutional arrangement, only the Son of Heaven (the emperor) had the power to offer sacrifice to Heaven. Therefore, the “vertical cooperation ethic” of China’s imperial power enjoyed a supreme status in both the religious realm and secular society and was exclusive and monopolistic. Similarly, patriarchal and clan authorities were manifestations of kinship-based intergenerational cooperation, so they had in common with imperial power and remained as a “vertical cooperation ethic” in families and clans.

However, the members of general social organizations such as associations, societies, trade unions and business unions generally had no kinship with one another; thus, the vertical cooperation (power) relationship required by these social organizations was different from clan or imperial politics. Because the “vertical cooperation ethic” of imperial power (or patriarchal and clan authorities) was dominant and even exclusive in Chinese society, it was difficult for general social organizations to construct an independent and universal “vertical cooperation ethic” on their own, and they had to obtain assistance from the popular gods to invoke imperial power or patriarchal and clan authority. That is, the “vertical cooperation ethic” within general social organizations could not conflict

(53) Wang guowei, *Yin Zhou zhidu lun* Vol.10, p. 451.

(54) Ren jiyu任继愈, *Xu*序 in *Zhongguo rujiao shi*, pp.1-7; Zhangjian, *Zhongguo gudai zhengjiao guanxi shi*, pp.37-43

with imperial politics and was generally converted into clan-like power structures such as teacher-student, mentor-apprentice or employer-employee relationships comparable to father-son relationships.

Therefore, one conspicuous function of the popular god title-granting movement was the absolving of the tension between imperial politics and general social organizations brought about by the heterogeneity of the “vertical cooperation ethic”. On the one hand, the Confucian government took the initiative to export the “loyalty” of imperial vertical cooperation and the “filial piety” of intergenerational cooperation to the image of popular gods; conversely, the local society and folk organizations took the initiative to seek the source of legitimacy of the “vertical cooperation ethic” from central government.

The Economic ethic in Chinese Society: Construction of “Partial Equilibrium”

The Chinese Economic Ethic and Its Changes

As discussed above, the horizontal cooperation ethic in Chinese society was mainly embodied in the kinship-based Gods of *Sheji* during the Zhou dynasty, in the non-kinship-based City God (or Land God) in the early days of the imperial era, and in the nationwide popular gods in the late days of the imperial era. The horizontal cooperation ethic was influenced by Mohism in the late days of the Zhou Dynasty and by Buddhism during the Tang Dynasty. Superficially, it seemed that these two effects both failed; however, from an evolutionary point of view, they were properly absorbed. For example, the non-kinship-based city gods absorbed the effect of Mohism on the kinship-based horizontal cooperation whereas the cross-region popular gods absorbed the horizontal cooperation concept of equality from the effect of Buddhism.

The vertical cooperation ethic in Chinese society, originally from the kinship-based intergenerational cooperation (patriarchal and clan authorities), was subsequently increasingly reflected in imperial politics. Because imperial power had affinity for patriarchal power (or clan power), they were the most explicit vertical cooperation ethic in Chinese society. As a result, the vertical cooperation within general social organizations generally followed the vertical cooperation ethic of imperial power and patriarchal power (or clan power). It was exactly the title-granting movement for popular gods jointly promoted by the folk society and the central government that communicated and relieved the tension of the vertical cooperation ethic between imperial politics and general social organizations.

In modern society, the economic ethic is the partial equilibrium of the horizontal cooperation ethic (the commercial ethic) and the vertical cooperation ethic (the enterprise ethic). From this perspective, because China’s horizontal cooperation ethic and vertical cooperation ethic were always changing, their corresponding economic ethic constructions were inevitable changes as well. However, unlike the case in the West, we can observe that the official and folk society have two different types of economic systems and economic ethics in Chinese society under the grand unification. What was discussed above only focuses on the economic ethic of the folk society.

In the Zhou Dynasty, The “Heaven” or “God” is the supreme god and a symbol of the overall equilibrium of the society as a whole (“the world”). At that time, nationwide official economic activities were primarily the “tribute” tax levied on the princes by the emperor.⁽⁵⁵⁾ This type of official economic system and ethic may be understood to be the gift exchange and ethic in the form of “tribute” under the overall equilibrium of “Heaven”,

(55) Zhou ziqiang周自强, *Zhongguo jingji tongshi*中国经济通史 (Beijing: Jingji ribao chubanshe, 2007), Vol. QinHan秦汉, pp. 727-47.

only containing a very small number of horizontal cooperation components. In the sense of the economic ethic, the “collapse of the ritual society” (礼坏乐崩) during the late Zhou Dynasty indicated the collapse of the gift exchange economic system between the central government and local communities. However, for local communities, the God of *sheji* was the symbol of local overall equilibrium, not only containing the local horizontal cooperation ethic but also reflecting the kinship-based vertical cooperation ethic in the feudal system. At this time, the local economic ethic (“partial equilibrium”) comprising horizontal and vertical cooperation was embedded in the construction of the God of *sheji* that reflected local “overall equilibrium”.

In the period of *Menfa politics*, “Heaven” was gradually suspended as a symbol of overall equilibrium. Imperial politics as the partial equilibrium (political system) of vertical cooperation and kinship-based intergenerational cooperation in fact fulfilled the function of the “overall equilibrium” of the entire society. Imperial power had become a real symbol of “overall equilibrium” by monopolizing worship to Heaven. At that time, official economic system tended to have the central government or royal franchise or monopoly on items such as salt and iron,⁽⁵⁶⁾ which directly reflected the vertical cooperation of the imperial power. However, in local economic systems, the horizontal cooperation ethic was embedded in the non-kinship-based City gods, and the administrative hierarchy of City gods also reflected the political ethic of the imperial power. Therefore, the local folk economic ethic, as a type of partial equilibrium, was embedded in the construction of city gods that reflected local overall equilibrium.

In the era of the “three-religion harmony” and imperial examination institution, the government strove to construct the local overall equilibrium into a national system through the administrative hierarchy of the city gods system. However, this approach was unable to satisfy the economic and ethical needs of over-regional folk society. First, in the government led “three-religion harmony”, the construction of a universal horizontal cooperation ethic was lacking. Second, because the royal franchise economy was low in efficiency and unsustainable by itself, non-governmental forces gradually formed a national market and even became the main player in the governmental economy (for example, water transport of grain to the Capital, salt industry). In this case, the title-granting movement of popular gods jointly pushed by the government and the civil society that initially began in the Song Dynasty increasingly revealed the great significance in constructing the universal economic ethic of Chinese society.

First, the construction of these popular gods was rather unique, which integrated the ethical advantages of Confucianism, Buddhism, and Taoism; possessed a full range of social cooperation ethic structures; and became a symbol of “overall equilibrium”. The “overall equilibrium” notably contained the universal horizontal cooperation ethic, which was different from both the government’s “overall equilibrium” of the “three-religions harmony” that neglected the horizontal cooperation ethic and the local “overall equilibrium” in the city gods system reconstructed by the government’s administrative hierarchy. Second, popular gods were officially title-granted, which meant the government officially recognized and endorsed the social cooperation ethic and equilibrium of popular gods; thus, the two types of “overall equilibrium” (the official and folk society) reached a consensus: popular gods were the “re-equilibrium” of the two types of overall equilibrium. Third, popular gods contained both the universal horizontal cooperation ethic and the vertical cooperation ethic of the imperial politics (imperial power and patriarchal or clan authority); therefore, the economic ethic (partial equilibrium) could be developed within the popular gods although this type of “partial equilibrium” of the economy remained embedded in the “overall equilibrium” of the popular gods themselves.

(56) Qi tao 齐涛, *Zhongguo gudai jingji shi* 中国古代经济史 (second version) (Jinan: Shandong daxue chubanshe, 2011), pp. 247-82.

For example, in national ceremonies as of the late Qing Dynasty, among gods of historical figures, Confucius was first, followed by *Guandi* and then *Mazu*.⁽⁵⁷⁾ *Confucius worship was officially conducted and participated in only by Confucians belonging to an official system rather than being a popular religion. However, in the late Qing Dynasty, after the accumulation of millennial title-granting, the final title of Guan Yu was “忠义神武灵佑仁勇威显护国保民精诚绥靖翊赞宣德关圣大帝 (Zhongyi Shenwu Lingyou Renyong Weixian Huguo Baomin Jingcheng Suijing Yizan Xuande Guan Sheng Da Di)”*, at 26 characters, nearly the longest posthumous title ever bestowed.⁽⁵⁸⁾ The cumulative title of *Mazu* was “护国庇民妙灵昭应弘仁普济福佑群生诚感咸孚显神赞顺垂慈笃祐安澜利运泽覃海宇恬波宣惠导流衍庆靖洋锡祉恩周德溥卫漕保泰振武绥疆嘉佑天后 (Huguo Bimin Miaoling Zhaoying Hongren Puji Fuyou Qunsheng Chenggan Xianfu Xianshen Zanshun Chuici Duhu Anlan Liyun Zeqin Haiyu Tianbo Xuanhu Daoliu Yanqing Jingyang Xizhi Enzhou Depu Weicao Baotai Zhenwu Suijiang Jiayou T'ian Hou)”, a total of 62 characters, far beyond the normal rule and the longest title in Chinese history.⁽⁵⁹⁾ In the final titles of *Guandi* and *Mazu*, expressions of various types of the social cooperation ethic and equilibrium may clearly be observed (table 1 and 2).

Tables 1 and 2 demonstrate that the titles of *Guandi* and *Mazu* expressed all types of social cooperation ethic and overall equilibrium, including the universal horizontal cooperation ethic and the vertical cooperation ethic of the imperial power (partly patriarchal or clan power). Therefore, the economic ethic constructed by these two types of social cooperation ethic was also embedded in the construction of the overall equilibrium manifested by popular gods. The construction of the economic ethic (particularly the horizontal cooperation ethic) through popular religion was lacking in the construction through the “three-religion harmony” of the government and mainstream society; thus, popular gods that were officially enshrined became the symbol of the economic ethic in late imperial China.

Characteristics of Chinese Economic Ethic

In summary, compared with the economic ethic of Western society, the economic ethic of China and its changes have exhibited four important characteristics.

First, under China’s social pattern of grand unification, there were two systems (one official and another folk) of the economic ethic as a partial equilibrium, both having noticeable internal change processes that changed with the changes in the horizontal cooperation ethic and the vertical cooperation ethic. The official and folk types of the economic ethic have always been embedded in their respective “overall equilibriums of the social cooperation ethic”, and their respective evolution of partial equilibriums and overall equilibriums has been synchronous. In other words, whether it was the government or civil society, collective rationality (or overall equilibrium) has been emphasized in Chinese society.

Second, the symbol of the official overall equilibrium has been “Heaven” or “God”, which was specifically presented and realized through the “integration of religion and politics” of imperial politics. Thus, in the official overall equilibrium, the vertical cooperation of imperial power was prominent while the horizontal cooperation was relatively overlooked; correspondingly, the horizontal cooperation ethics has lagged behind in the official

(57) Xu xiaowang徐晓望, *Mazhu xinyang shi yanjiu*妈祖信仰史研究 (Fuzhou: Haifeng chubanshe, 2007), p.237.

(58) Hu xiaowei胡小伟, *Guangong xinyang yanjiu xilie*关公信仰研究系列 (HongKong: Kehua tushu chubanshe, 2005), Vol. 4, p.522; Wang shoukuan汪受宽, *shifa yanjiu*法研究 (Shanghai: Shanghai guji chubanshe, 1995), p.6.

(59) Xu xiaowang, *Mazhu xinyang shi yanjiu*, p.315.

economic ethic. Nevertheless, the official economic system has also undergone a change from gift exchange to franchise economy and then to a market economy. The symbol of the overall equilibrium of the folk society evolved from local Gods of *Sheji* to local city gods and then to nationwide popular gods, and the overall equilibrium and economy ethic of folk society earlier manifested the emphasis on the horizontal cooperation ethic that had undergone the sequential process of changing from local and kinship-based to local and non-kinship-based and then to national and universalist. Notably, having been affected by Mohism and Buddhism, Chinese society after the Song Dynasty gradually achieved the unity or re-equilibrium of the two types (the official type and the folk type) of overall equilibrium by continuous title-granting of popular gods (for example, *Guandi* and *Mazu* were promoted to “Heavenly Emperor” and “Heavenly Empress”). At that time, the popular gods could be viewed as the symbol of the overall equilibrium and economic ethic of the entire society.

Third, the popular gods of the late imperial period were the product of the “three-religion harmony”, had an affinity for traditional society, and were the economic ethic symbol of Chinese society through endogenous development. However, they lacked a monopoly in their diversity, and the connotations of the equilibrium of various popular gods also varied. As shown in Tables 1 and 2, the constructions of *Guandi* and *Mazu* spanned all types of the social cooperation ethic but with different weights. Therefore, the paths and results of overall equilibrium of the folk society were diversified and had distinct regional features. For example, in the image of *Guandi*, the components of the vertical cooperation ethic were more abundant; however, in the image of *Mazu*, the components of the human-nature cooperation ethic and horizontal cooperation ethic were more prominent. This difference likely reflects the various characteristics of *Guandi* and *Mazu* that, respectively, corresponded to the mainland economy and the marine economy. Therefore, although individual popular general gods all achieved the unity of the official and folk types of overall equilibrium, given the diversity of popular gods, it remains rather difficult to use a certain popular god to represent the entire Chinese society. Because of this, although popular gods were symbols of overall equilibrium, the perception of the general public of popular gods remained focused on their horizontal cooperation ethic and economic ethic. Many popular gods have become nationwide or cross-regional gods of trades, gods of commerce unions, gods of business, or gods of wealth that jointly protected the Chinese economy. But they were also simply regarded (or regarded by witchcraft) as gods of wealth.

Fourth, superficially, the changes in the official system (including the overall equilibrium and partial equilibrium of the economic system) have lagged behind changes in the folk system, demonstrating some kind of slowness and conservatism. However, the slowness in the official system may avoid the serious consequences of the differentiation and independence of the social system (such as the shock caused by Mohists and Buddhism). Such consequences were likely engendered by folk society moving too fast, and imposed slowness acted as an important mechanism to ensure that various types of partial equilibrium (even the local overall equilibrium) did not deviate from the overall equilibrium of the entire society. It was only after the Song Dynasty that the local folk society and the central government properly found the unifying approach (the title-granting of popular gods) to achieve the unity of the two. In this sense, the official Confucianism of the central government played the important role as the leader and organizer of China’s civilization pattern of “diversity in unity”. This role in the historical processes of the complex interactions and evolution of the social cooperation ethic, partial equilibrium and overall equilibrium at the official and local folk levels of Chinese society allowed addressing and absorbing various effects, which has not only maintained the unity of the social community but also ultimately identified the endogenous solution.

In short, the Chinese economic ethic not only had a clear construction but also its own evolutionary logic, having maintained both the unity of society as a whole and its diversity during the changes. Therefore, Chinese society has not only maintained unity and integrity but has constructed the diversity of the economic system in that unity and integrity. Here, we are able to interpret some of the features that were presented in the economic activities in the late imperial days of Chinese society.

(1) The origin of popular gods was diverse. As the restriction of imperial politics in this regard and limited title-granting, there remained a variety of gods that were not enshrined by the government. Some of those gods were implicitly accepted by the government, such as the gods of various trades,⁽⁶⁰⁾ and some heterogeneous to imperial power and were severely prohibited and even cracked down on by the government, such as the gods of various secret religions.⁽⁶¹⁾ Nevertheless, economic activities and economic organizations such as trade unions, commerce unions, firms and temple fairs (also including secret associates) in China were closely tied to popular religions or popular gods. For example, *Guandi* was also an important god of many secret sects.⁽⁶²⁾

(2) The fact that the economic ethic exhibited diversity and was embedded in the overall equilibrium means that the “vertical cooperation ethic” and “horizontal cooperation ethic” in economic activities were also mixed with the “human-nature cooperation ethic” and “intergenerational cooperation ethic”. For example, the various feats of efficaciousness of *Guandi* and *Mazu* were existed widely. At the same time, a large number of gods with other functions, such as gods manifesting “human-nature cooperation”, frequently appeared in economic activities (such as commerce unions and temple fairs). Thus, the Chinese economic system was extremely tolerant of all types of gods, and economic activities and groups were accompanied by strong religious (witchcraft) touches.

(3) Because “vertical cooperation” and “intergenerational cooperation” were generally intertwined in traditional society, they may have been manifested both in general social organizations inexplicitly recognized or accepted by the Confucian government and in underground secret organizations not tolerated and suppressed by the Confucian government. In either case, the internal structures of social organizations inevitably borrowed the value system of the “pan-familism” of China’s Neo-Confucianism, and groups that originally were without consanguinity became a “virtual clan” through the appearance of kinship as an integrating factor.⁽⁶³⁾ For example, what the mentor-apprentice relationship simulated was the vertical cooperation between father and son, and what the sworn brothers simulated was kinship-based horizontal parallelism. These social organizations include not only general social organizations inexplicitly recognized or accepted by the Confucian government, but underground organizations or secret societies not tolerated and suppressed by the Confucian government.

(4) The traditional Chinese economy was certainly a self-sufficient peasant economy; however, the market economic activities were abundant and effective. Based on natural economy, domestic market economy size was large and the market structure and order of the corresponding market economy was formed.⁽⁶⁴⁾ Moreover, in global trade, China was able to obtain a huge trade surplus⁽⁶⁵⁾ and without involvement in economic colonization

(60) Li qiao 李乔, *Hangyeshen chongbai: Zhongguo minzhong zaoshen shi yanjiu* 行业神崇拜: 中国民众造神史研究 (Beijing: Beijing chubanshe, 2013), pp.22-3.

(61) Ma xisha and Han bingfang, *Zhongguo minjian zongjiao shi*.

(62) Daniel L Overmyer, *Folk Buddhist Religion: Dissenting Sects in Late Traditional China* (Cambridge, Mass.: Harvard University Press, 1976), p.10.

(63) Zhuang jifa, *ZKJX*, pp.475-6.

(64) William G. Skinner, as note 10.

(65) Andre Gunder Frank, *Reorient: Global Economy in the Asian Age*, trans., Liu Beicheng (Beijing: Zhongyang bianyi chubanshe, 2017), pp.108.

phenomena as occurred Western countries. The horizontal cooperation ethics with diverse origins is powerful support for these activities.

(5) Because of the lack of support from a consistent and universal horizontal cooperation ethic and vertical cooperation ethic in china society, imperial politics assumed the role of organizer and keeper of the “overall equilibrium of the social cooperation ethics”. This led to the vertical cooperation ethic of imperial power substituting or suppressing the horizontal cooperation ethic while suppressing the development of an independent vertical cooperation ethic within general social organizations. Consequently, although the development of the economic system never deviated from the pattern of “overall equilibrium”, the tendency to “prioritize agriculture and suppress commerce (industry)” has been consistently prevalent, which has postponed the emergence of business organization and a market economy in the Western sense. Moreover, this situation also led to the involution of the Chinese economy: surplus labor was concentrated on limited land.⁽⁶⁶⁾ In addition, the royal franchise (or special services) economy never withdrew from this stage of history whereas China and its client states maintained the “tributary” trading system with the gift exchange nature.

Conclusion

From the perspectives of social cooperation and its equilibrium, we explained various characteristics and the changing paths presented by the Chinese economic ethic and the Western economic ethic. Simply put, compared with Western society, China’s economic system and economic ethic have always been closely associated with the overall equilibrium, and because of this, China’s economic system has not been distinctively separated from other social systems. Two different economic ethic models of China and the West have developed by searching for the social optimum of their own religion-society forms, thereby becoming path-dependent.

Although Weber claimed himself a product of modern European civilization, he had some concerns regarding the modernity and the instrumental rationality of the West.⁽⁶⁷⁾ The underlying causes of Weber’s concern were that the independence and differentiation of social systems (particularly economic system) will destroy the original overall equilibrium but are unable to achieve a new overall equilibrium. In this sense, Marx’s critique of capitalism moving to its own opposite is quite sharp, and Durkheim’s call for a return to the level of society as a whole and advocacy for social solidarity are historically insightful.⁽⁶⁸⁾ Since the 20th century, faced with the various problems and calamities of Western society brought about by modernity, such as environmental and economic crises and wars, many Western scholars such as Claude Lévi-Strauss followed Durkheim’s path to find solutions in a “primitive society”, largely because “overall equilibrium” is one of the most profound features of the “primitive society.” In other words, it is more likely for a “primitive society” to reach “overall equilibrium” because of the limited types of social cooperation. However, China is a “complex society,” even more complex than Western societies. Economic system (the economic ethic) tightly linked to and inter-coordinate with the “overall equilibrium” which has always been the focus of the government and the folk society throughout the change process, demonstrating that Chinese religion and society have embodied rich, unique and effective content

(66) *The Peasant Family and Rural Development in The Yangzi Delta, 1350-1988*, pp.11.

(67) Max Weber, *Academy and Politics*, trans. Qian Yongxiang钱永祥(Guilin: Guangxi shifan daxue chubanshe, 2010), p265-70.

(68) Emile Durkheim, *The Division of Labor in Society*.

and logic. Therefore, taking the perspective of social cooperation to view the differences between China and the West would inspire us to reflect on many more aspects of this phenomenon.

First, civilization or the social cooperation community is diverse, and the evolution of any given civilization is endogenous and path-dependent with regard to its own “overall equilibrium”. Various types of social cooperation and “partial equilibrium” (and changes) in the society are associated with and dominated by the “overall equilibrium” (and changes). This also reminds us that exchange and integration in a civilization may lead to failure if we only borrow or introduce a single social system, such as a political or economic system, but ignore social cooperation and its effective integration or consolidation at the level of overall equilibrium (for example, the temple economy of Buddhism during the Tang Dynasty). Moreover, when encountering internal challenges or shocks from alien civilizations, a civilization should respond and absorb under the framework of “overall equilibrium” so that a new “overall equilibrium” may evolve. Therefore, in the face of internal or external changes or shocks, a vigorous civilization must coordinate and adapt at the three levels of (official and folk) social cooperation, partial equilibrium, and overall equilibrium. For alien civilizations, a localized adaptation or correction process is inevitable.

Second, from the perspective of subliming the Western experience to universal theory, it may be a mistake to assume that the evolution or change in Chinese society was backward; for example, the Chinese economic system (the economic ethic) has not been fully differentiated and independent and has not completed the “disenchantment” mentioned by Weber to become “rational” capitalism. However, from the perspective of the “overall equilibrium” of a social community, such a statement may be dogmatic and imprudent. First, from the perspective of diversity and the path dependence of overall equilibrium, we cannot assert that the evolutionary path of one civilization is bound to move toward the situation that has been presented by another civilization. Second, when various types of civilizations in the world have fully formed an unprecedented community of human destiny on a larger scale, it would indicate that a completely new type of “overall equilibrium” should be the common vision of the future. Therefore, various civilizations should learn from each other, draw on their respective strengths, and achieve the construction of a new global “overall equilibrium” with their own path dependence and their own “overall equilibriums” although the final appearance is not yet accomplished and cannot accurately be predicted. In this sense, in the long process of pursuing the new global “overall equilibrium”, the inconsistent endogenous paths and paces of various civilizations as well as the resulting unpredictable conflicts are major difficulties and dilemmas that are facing the world.

Third, the root cause of the problems engendered by the modernity of the West is that various social systems cannot effectively reach a new “overall equilibrium” after their independence and differentiation. Here, the Chinese history sample, which emphasizes the coordination of social cooperation type, partial equilibrium and overall equilibrium, may demonstrate particularly important universal values. As far as the economic system (ethic) is concerned, in Chinese history, after successively resolving or absorbing the internal shock from Mohism and the external shock from Buddhism, the coordination of the economic system and overall equilibrium was achieved through the special structure of popular gods. Certainly, modern Chinese society has been greatly affected by Western civilization (Protestantism in particular), and if Chinese society is able to continue to effectively resolve and absorb the shock in accordance with its own endogenous path and construct a new social cooperation ethic system and overall equilibrium, then this process will be extraordinarily significant.

Fourth, instrumental rationality is more inclined to relate to specific types of social cooperation and partial equilibrium whereas value rationality is more inclined to relate to overall equilibrium. Relative to the other social

systems such as marriage-family system and political system, economic system are “partial equilibrium” that are easier to differentiate and easier to become independent. Therefore, among the humanities and social sciences, economics always behaves the most rationally (instrumental rationality) and has been involved in studies on other social systems and the entire society in an “economics imperialist” manner. However, even the New Institutional Economics has embarked on examining the complex relationship between economic system and the entire society, it still always being generally conducted from the partial perspective of the economy. The history of changes in the Chinese economic system (ethic) shows complex interactive relationships and coordination among social cooperation, partial equilibrium and overall equilibrium; and interpretations from the economic perspective alone have significant limitations. In this sense, studies on the relationship between the economy and society should not ignore Marx’s political economics and Durkheim’s perspective of society as a whole. From a wider perspective, historical samples of China and West have the own meaning in learning from one another.

Finally, needless to say, many arguments made in this article remain inadequate, some too simplified and requiring dedicated extended discussions. Moreover, the methodology and investigation described here are only tentative and exploratory, and their arguments rely heavily on some pre-assumptions without adequate proof. For example, whether the substitution of various types of social cooperation is present and if so, how, is related to whether and how the overall equilibrium or partial equilibrium of social cooperation can be constructed. That is crucial to the conclusion of this study and cannot be offered with strong evidence here. Therefore, we hope to have opportunities to conduct in-depth studies in the future.

中文题目： 中国社会中的经济伦理：从社会合作视角看与西方经济伦理的异同

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摘要：借助于博弈论和交易费用理论，宗教或宗教伦理可转换为一种对各种社会合作、及其局部均衡和整体均衡提供伦理支持和解释的体系。从社会合作伦理角度看，近现代社会中的经济伦理是横向合作伦理（商业或市场）和纵向合作伦理（企业内部权力）所构成的“局部均衡”。因此，经济伦理与社会合作伦理类型变化、“社会合作伦理的整体均衡”变迁密切相关，其构建和表达存在多样性和路径依赖。在此，韦伯有力解释了近代西方的经济伦理——作为一种“局部均衡”——从“整体均衡”中分化和独立的原因与过程。然而，中国社会中的经济伦理则不同，始终与“整体均衡”保持密切关联，其表达与象征经历从地方性社稷神到地方性城隍神再到全国性大众普遍神的变迁过程。

关键词：社会合作、社会合作伦理、经济伦理、韦伯命题、社会变迁

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