Protestant and Confucian Ethics, 
& the Spirit of Capitalism 
in Wenzhou, China 

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Introduction

China’s Top-Down Corruption: From State to Citizen

The level of corruption in China today has reached staggering heights, permeating almost every part of society. According to a recent column in the New York Times by Nicholas Kristof, it is so common, that “even good people are on the take in China these days, because everybody else is.” Anyone ranging from journalists to doctors to businessmen and government officials take bribes left and right. According to Kristof’s op-ed:

Zhang Shuguang, a railways official, managed to steal $2.8 billion and move it overseas, the state news media have reported. A Chinese central bank report suggested that 18,000 corrupt officials had fled China and taken $120 billion with them. The average take was almost $7 million per person.2

These reports followed in the wake of China’s biggest political scandal since Tiananmen Square in 1989. Bo Xilai, one of China’s most prominent politicians, has been kicked out of the Politburo on charges of corruption and misuse of power. His wife has also been accused of murdering a young British businessman in a dispute over his fee for smuggling ill-gotten family money abroad.3 In addition to all this are reports of his son’s pricey education, lavish lifestyle abroad, and unrestrained spending habits—all of which do not seem feasible on Bo’s meager government salary. The editorial goes on to point out that for years, some of China’s top leaders such as Li Ruihuan and Wen Jiabao have

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2 Ibid
3 Ibid
been urging political reform. Today’s party officials also see the need for increased accountability and oversight.  

Although the Chinese government has more than 1,200 laws, rules, and directives against corruption, implementation has been “spotty and ineffective,” according to research by Minxin Pei, an expert on economic reform and governance in China. He points out that the odds of a corrupt official going to jail are less than three percent, making corruption a high-return, low-risk activity. Another key finding of his research highlights the concentration of corruption in sectors with extensive state involvement; some of these include infrastructure projects, real estate, government procurement, and financial services. Pei estimates that the direct costs of corruption could be as much as $86 billion each year.  

Much of the corruption that has been exposed recently through the Bo Xilai saga points to a deeper problem within the government. For many political insiders and top officials, corruption is tolerated as long as it is done secretly; flagrant violations such as those committed by Bo and his family bring shame to the government and affront the acetic, sacrificial image the state is supposed to maintain. 

In the business world, collusion between those with power and money—usually the government—is a given. Deng Xiaoping, the chief architect of the economic reform, endorsed a profit-driven culture with slogans such as “To get rich is glorious,” and “Let a few get rich first.” He encouraged people to unashamedly pursue wealth and profit, thus

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fueling a culture of greed and profit. State-owned enterprises (SOEs) changed their visions from serving the nation to making as much profit as possible. Many companies—both SOEs and private firms—with the profit-at-any-cost mentality have committed serious ethical violations. Weak laws, lax enforcement as well as cronyism between the state and business exacerbated corruption and injustice. This has led to many recalls for contaminated Chinese products as well as several international scandals such as the poisoned milk powder incident. This is not to mention other indirect and direct externalities of corruption: serious damage to the environment, human rights violations, deterioration of social services, and overall, an undermining of social morale and stability.\footnote{Po Keung Ip, “The Challenge of Developing Business Ethics in China,” \textit{Journal of Business Ethics}, (2009): 214.}

\textit{Christianity: An Answer to Corruption in China?}

In the midst of all these problems, the state has sought out solutions that include an appeal to nationalism and patriotism, as well as the promotion of revamped socialist ideology in the form of a Hu Jintaos’s call for creating a “Harmonious Socialist Society” and Jiang Zemin’s “Three Represents,” which casts the Chinese Communist Party as the representative of the “overwhelming majority of the people of China” in the country’s \footnote{Pei, “Corruption Threatens China’s Future,” http://www.carnegieendowment.org/2007/10/09/corruption-threatens-china-s-future/g4}
quest for modernization. Thus far, these efforts have fallen short of improving social morale and providing a true moral center. A recent effort of the state looked to Confucian teachings in hopes of boosting social values and morals, but despite these efforts, Confucian ethics have not had the intended impact the state had hoped for. Corruption in the state and business is still rampant; and Confucian teachings, while setting an ideal standard, have not provided enough personal incentive for people to follow its principles.

The question then remains: what would provide a strong enough incentive for people to change their behavior and hold themselves to higher standards of morality? Since rules, laws, and regulations are not well-enforced in China, what else could possibly provide incentive to combat corruption and inculcate standards of morality into the public sphere?

Surprisingly, the state has begun to look to religious groups for possible solutions to fix the moral gap. Among these groups, Christianity is considered by many government officials as the nation’s “best hope” to establish morality as more and more Chinese citizens convert to Christianity. As the country’s fastest growing religious group, some scholars and experts have predicted that China could soon be home to the largest Christian population in the world, with current estimates at about 100 million active Christians, including unregistered house churches.¹⁰

William Jeynes, a professor at California State University, suggests that the government seems to take a similar perspective to that of sociologist and political economist Max Weber: a strong work ethic, love for one’s neighbor, self-discipline and

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¹ Jiang Zemin, "Build a Well-off Society in an All-Round Way and Create a New Situation in Building Socialism with Chinese Characteristics," report delivered at the 16th National Congress of the Communist Party of China (Nov. 8, 2002).
trust often accompany Protestantism. While there have been tensions between the state and churches in the past, the Communist Party has shown more leniency and tolerance in recent years, as evidenced by an amendment to the Communist Party of China (CPC) constitution in regards to religion. The purpose of this amendment was to demonstrate that "the Party is sincere, and capable, of its implementation of policies on the freedom of religious beliefs."

In order to narrow the focus of this thesis, I decided to focus on Wenzhou Christian entrepreneurs, also popularly known as "Boss Christians" in China, as the primary case study. I chose this specific category of Christians for several reasons. The first is because of their city of origin. Wenzhou is perhaps most widely known as a national model of economic development, with a lesser known reputation as "China's Jerusalem," in relation to its sizable Christian population. The second reason is because "Wenzhou Boss Christians" are very representative of a new category of Christians in China. In the past, most Chinese Christians came from poor, rural areas and were mostly women. Today, Christianity is considered a "progressive" religion in China that includes intellectuals, professionals, and leaders from a variety of areas. The third reason is because Wenzhou Christian entrepreneurs are particularly influential in their region, and have a unique, collaborative working relationship with the local government. In examining this group, I conducted in-depth interviews with several Wenzhou "Boss Christians" and a former Wenzhou Christian government official. I primarily asked them

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12 Ibid
to share how their religious values influenced the way they ran business—and whether or not Confucian values had any influence as well.

Based on their responses, it seemed that for all of them, their religious affiliation was the primary influence on business management practices and ethics. Although several of them acknowledged the veracity of Confucian values, they pointed out that their religious faith was by far the stronger influence in shaping their moral principles and ethical values in business. The results from fieldwork research and testimonies of these entrepreneurs and a government official are described in detail in chapter four of this thesis.

In order to set up the background and context of this thesis, chapters one and two start with a macro view of contemporary Christianity and Confucianism in China today. I end chapter two with a comparative analysis of Christianity and Confucianism as well as an overview of the "ideal" Confucian firm model and its limitations. In chapter three, I narrow the focus to the city of Wenzhou and examine its economic development in a historical context in the first half of the chapter. In the latter half of the chapter I examine Wenzhou's culture of Christianity and the role of Christian entrepreneurs in business and state relationships. In the fourth chapter, I share testimonies from the in-depth interviews I conducted in China. Thus far, these testimonies have confirmed the idea that Christianity plays a central role in shaping the ethics and values of these entrepreneurs and the way in which they conduct business in public and in private.
Chapter 1

The Growth of Christianity in Contemporary China

A Brief Historical Overview: From Tang Dynasty to Present

Christianity can be traced back to 635 CE, with Persian Nestorian Christians being the first group to bring the “religion of light” to China. A nine-foot high marble tablet was dug up in either 1623 or 1625; in more than 1800 Chinese characters, it gives a detailed history of Nestorian Christianity from its beginnings in China in 635. Even before European missionaries came in the thirteenth century, this stone tablet seems to be positive proof that Christianity had been firmly established early in the Tang dynasty and had survived for more than 200 years.13

In between this time and the early 1800s, Christianity had a small presence in the religious culture of China. In the decades following the 1800s, Protestantism appeared for the first time. Robert Morrison came to Guangzhou in 1807 as a member of the London Missionary Society (LMS).14 J. Hudson Taylor, another well-known English missionary, came to China in the 1850s and founded China Inland Mission (CIM), which still exists to this day. Many others followed in Taylor’s footsteps, establishing many of China’s first public hospitals and schools for women and children. Nee To-sheng—widely known as Watchman Nee—is another notable figure. He founded the Little Flock, the largest non-denominational Protestant group at the time of the Communist regime in 1949. To this day his teachings and church movement have had immense influence on many

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14 Bays, A New History of Christianity in China, 43.
“house churches,” – (unofficial churches established mostly in homes, but can range from anywhere between a small group of ten to thousands of members.)

Unfortunately for Chinese Christians in the Maoist era, the Cultural Revolution and Mao’s Red Guards heavily persecuted many churches, driving them to extinction or underground, and leaving behind a decimated but devoted group of believers. Finally with Mao’s death in 1976, the beginning of Deng Xiaoping’s reform era in the 1980s saw the central government loosening its grip on the economy as well as in many aspects of daily life. In addition to the de-collectivization of agriculture and a market economy, the state also removed itself from close monitoring of cultural and social practices, including religion. Religious activities were largely de-criminalized, and believers were urged to work for the modernization of China.15 The state and central government did not care what people believed, as long as they did not challenge the authority or hegemony of the state. As a result, this period gave Protestant Christianity its biggest opportunity for growth and expansion in recent history.

Just as Confucianism and folk religions defined Chinese religious culture before the Maoist era, similarly, Protestantism may potentially come to define Chinese religious culture in the twenty-first century. Some have predicted that at its current rate of growth, within the next 30 years, one-third of China’s population could become Christian—making China one of the largest Christian nations in the world.16

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15 Bays, A New History of Christianity in China, 187-188.
As the fastest growing religion in China today since the central government adopted the pragmatic “economic reforms and open-door” policies, five religions (Buddhism, Catholicism, Daoism, Islam and Protestant Christianity) have been allowed to operate under the auspices of “patriotic” associations. All of these religions have seen revival, but none have seen the exponential growth as with Protestantism. Including underground “house church” Christians, Protestant believers numbers around 80 million, which is 50 to 70 times more than the estimate in 1949. Recent surveys from 2010 have even suggested that there could be as many as 100 million Chinese Protestants.

Even though the government has largely removed itself from continual monitoring of religious practices, the central government has shown concern at the explosion of growth in Protestant Christianity, and has attempted to place some controls on it through establishing government-sanctioned churches. The official church is part of the Three-Self Patriotic Movement (TSPM), the state-sanctioned Protestant organization. Three-Self refers to the strategy of removing foreign influences from Chinese churches: self-governance, self-support, and self-propagation. To this day, some tensions still remain between TSPM churches and house churches, as some house churches are wary of TSPM members and their close collaboration with government. In particular for older Christians who had gone through heavy persecution during the Maoist era, many of them

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continue to distrust the government’s motivations. Nevertheless, some scholars assert that were it not for TSPM churches, Chinese Protestants would certainly not enjoy even the limited protections and practical freedoms they now have.  

From the government’s perspective, Christians along with all other religious believers are essentially an administrative problem. One senior official referred to religious believers, intellectuals, and journalists in an interview from 1991:

In fact all policies concerning these people are the same...The basic principle is simple: if they are obedient, then we treat them well. If they are not, then we discipline them...Christians say they must obey God, journalists say they are serving the public, intellectuals say they are developing culture. But from our point of view these excuses are all irrelevant. We treat these people as an administrative problem.  

Essentially, as long as Christians are cooperative and are not attempting to challenge the authority of the state and are making positive contributions to society and the economy, the government has no problem with their religious activities. When the Communist Party made the 2007 amendment to their Constitution regarding religion, they stated: “The Party strives to fully implement its basic principle for its work related to religious affairs, and rallies religious believers in making contributions to economic and social development.” As mentioned previously, among the various religious groups in China, many in the government view Christianity as China’s “best hope” for improving social morale. At the same time, the central government does not want any kind of challenge to its authority and has no qualms about shutting down any church that poses a potential threat to state hegemony.

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21 ibid, 492.
Relations between churches and the state have dramatically improved over these last couple decades. Most local government officials turn a blind eye to unregistered house churches, as long as they are not “causing trouble.” As is the case in Wenzhou, some government officials are even church members themselves. Unregistered churches are much more willing nowadays to be transparent with the government in regards to their religious activities. Many churches hold annual Christmas celebrations that attract thousands of people. When I was in Shanghai this past winter conducting fieldwork research, one taxi driver told me that he had noticed the popularity of Christmas celebrations at churches in contrast to the much more subdued Chinese New Year celebrations in the last several years. While the taxi driver was not personally religious, the fact that he noticed how public and popular these Christmas events were speaks to the increased transparency of church activities today.

Profile of the “New Type” of Chinese Christians

Christianity formerly had a reputation in China as a religion for the poor in rural areas and old women, but today, a significant number of Christians are coming from socioeconomic backgrounds that differ greatly from that of Chinese Protestants in the past. A significant number of Christians today come from urban and economically developed areas, particularly along the coastal cities and regions such as Zhejiang (where Wenzhou is located), Jiangsu, Guangdong, and Fujian.23

Data from a church in Aojiang is displayed below in Figure 1. The area is currently developing, and the changing careers of the Christians going to this church

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exemplify this trend as more and more move from farming or fishery to small individual businesses.\textsuperscript{24} The demographics are typical of Wenzhou area churches. Among the Christians between the ages of 18 and 60, 85.9\% are businessmen or businesswomen in the private sector, 7.2\% are workers in state-owned businesses, 4.5\% are medical doctors, nurses, and school teachers, and 2.2\% are farmers or fishermen.\textsuperscript{25}

![Table: Education and Careers of the Congregation, Yongping Protestant Church](image)

\textsuperscript{4}In most families of these groups, wives are Christians while their husbands are not.

Similarly at another church from Longgang, the number of people working in the private sector significantly increased between the 1980s and 2000. Only 51 people

\textsuperscript{24} Chen and Huang, "The Emergence of a New Type," 185.
\textsuperscript{25} Ibid, 185.
\textsuperscript{26} Ibid, 186.
worked in the private sector between 1980 and 1985; by 2000 this number had increased to 135 (56.1%). Only 28 (11.5%) of the Christians at this church were working for “socialist” state-owned enterprises or for the government in 1980; this number further diminished to 20 (8.2%) by the year 2000.\textsuperscript{27}

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<td>Farming at their own village</td>
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<td>Working for State owned business</td>
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<td>Working for the Government</td>
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<td>Small business Proprietors</td>
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<td>94</td>
<td>116</td>
<td>119</td>
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<td>Private business share-holders/executives</td>
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<td>5</td>
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<td>Private business Employees</td>
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<td>International joint venture employees</td>
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<td>38</td>
<td>17</td>
<td>12</td>
<td>5</td>
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<tr>
<td>Others</td>
<td>9</td>
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<td>Retired or Unemployed</td>
<td>3</td>
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Examining these career changes of Christians is important for understanding China’s contemporary Christian development. Traditional life had formerly kept Christian farmers impoverished and bound to the land. This is now changed when all farmers, Christians included, are finding themselves thrust into a developing global

\textsuperscript{27} Chen and Huang, “The Emergence of a New Type,” 187-188.
\textsuperscript{28} Ibid, 188.
market system. More and more are now engaged in the private sector rather than in the state-owned socialist economy.29

A new type of Christian, called “Boss Christians,” (laoban jidutu) has emerged to form a significant religious community in these developing urban areas. Boss Christians from Wenzhou are the primary focus of this thesis, and will be examined in more detail in later chapters. Many of them are young, educated, open-minded, enthusiastic Christians and leaders in their churches. In addition to this, many “Boss Christians” have been quite successful in business and have built vast networks. They can be private business owners, business executives, managers, or well-paid white-collar workers, but they may also be intellectuals, professionals, or skilled factory workers.30 Many are often heavily involved in their churches, and some of them function as both “boss” and pastor. Chapter three will explore their roles and functions in both Wenzhou’s political economy and in their churches.

From their research, Chen and Huang were able to extrapolate three common features of the “new type” of Chinese Christian: 1.) they are young and better educated; 2.) they are wealthy and their contributions have become the major economic resource for the development of churches; and 3.) they are sensible, open-minded, energetic people with strong Christian faith and wide social connections.31 Two other areas that particularly stood out in their roles in the churches were their role as mediators between the church, government and other non-Christian communities, as well as their help with promotion of democracy in the leadership and management of their churches.

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29 Chen and Huang, “The Emergence of New Type” 188-189.
30 ibid, 189.
31 Chen and Huang, “The Emergence of a New Type, 193.
In their role as mediators between the church and government, the new type of Christian (i.e. Boss Christians) has been much more successful in negotiations. In part due to their business connections and their long-term friendships with government officials, these Boss Christians are able to arrange matters over dinner parties or large feasts.\textsuperscript{32} As for their role in promoting democracy in leadership and management in churches, many of these Boss Christians are elected onto administrative committees which handle church management and public relations. Their appeal for voting systems in the election process has promoted democracy in the churches and made strong impact on neighboring government institutions as well.\textsuperscript{33}

\textit{Protestant Ethics and China's Political Economy}

Zhao Xiao, a former Chinese government economist (and atheist), wrote a controversial but widely circulated paper in 2002 titled, “Market Economies with Churches and Market Economies without Churches.” After making a trip to the U.S., he came back to China convinced that the primary difference between the U.S. and Chinese markets was not their financial gap, technological gap, or even the differences in the political and legal system. He cites China’s lack of moral constraints, due to its lack of churches, as the primary difference between the U.S. and China. He credits this moral backbone in the U.S. to its abundance of churches, citing that a shared faith binds people with similar worldviews together, and also provides a foundation for shared law. Without this, China has fallen into the trap in which Chinese businesses use the market economy

\textsuperscript{32} Chen and Huang, “The Emergence of a New Type,” 195.

\textsuperscript{33} Ibid, 196.
as a means of getting rich, and “to get rich any means may be used.” While it is questionable to link the prosperity of the U.S. economy to its churches, Zhao’s argument highlights an important concept within capitalism. Capitalism, as well as market forces, could not possibly succeed without some form of moral constraints. The financial crisis of 2008 is perhaps evidence of a crumbling ethical system in the U.S. markets. Economists like John Maynard Keynes wrote of economics as a “moral science” that “deals with motives, expectations, psychological uncertainties.” Many other economists today like Zhao Xiao, are re-focusing their studies of the economy and market forces in relation to social identities—and how this, as well as human nature—shape decisions and economic choices.

Zhao’s piece hints strongly at the Weberian thesis in which Max Weber argues that Protestant ethics have had cultural influence on the development of capitalism in the West. Weber describes three primary features of “ascetic Protestantism” to which he attributes a Protestant affinity for diligent work, which they believed to be a “calling” from God. These three primary features include a diligence in a spiritual and vocational calling, which allows God to use each person as an instrument of His will in accomplishing a greater good. Weber believes that this created an appeal for individuals to work towards a “higher purpose,” and similarly fueled their diligence and conviction in work. Another feature of ascetic Protestantism was to make the best use of one’s time—and to generate the greatest possible output as efficiently as possible. The last feature of

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material asceticism is somewhat paradoxical to the other two features of diligence and generation of greatest profit, but is nevertheless consistent. While the temptation for the individual to focus on material profit and accumulation of these profits is ever present, under the Protestant ethic, individuals are never to make material profit their primary focus. The result of material profit and wealth was a "sign of blessing from God," and thus a byproduct of their obedience to God, rather than an end goal.\(^\text{37}\)

The Protestant lifestyle is described by Weber as one that would focus not only on asceticism, but also would focus on answering "God's calling" for their lives. Individuals were formerly engaged in business as calculating, greedy and self-interested actors, but as the Protestant ethic spread across several nations, Weber observed that these people have transformed into "honest employers engaged in a task given by God."\(^\text{38}\) A good conscience was bestowed upon them, even those engaged in hard competition. Similarly, the reinvestment of profit and surplus income signified loyalty to God's grand design and an acknowledgement that all riches emanated from the hand of Providence.\(^\text{39}\) Hence, the devout practiced frugality, restricted consumption, and saved in large quantities.

The idea that Protestant Christianity is tied to economic success is not an entirely new concept in China. For many Wenzhou entrepreneurs—which chapters three and four will examine in more detail—Max Weber's *Protestant Ethic* has been their "how to-guide," and sits on the shelf right next to their Bibles.\(^\text{40}\) In the introduction of *God is Back*, John Micklethwait and Adrian Wooldridge describe an interview with Chinese Christians in a Beijing house church, all of whom believe that Christianity is the path to

\(^\text{38}\) Ibid, 30.
\(^\text{39}\) Ibid, 31.
modernization and economic success for China. When asked why, these Christians
respond with a rationale that looks to the U.S. as its model. They assert that the U.S. is
prosperous in part due to its religious heritage, and they believe the same could be true
for China. “To be Christian is to be patriotic for China,” these Chinese Christians assert.41

In a similar line of thinking, Fenggang Yang examines the reasons why young
urban Chinese are converting to Protestantism in large numbers today. While
conventional wisdom tends to explain religious conversion by pointing to the
marginalized social status of converts, known as the “deprivation explanation,” an
increasing number of Christians in China today are well-educated, young professionals.
Through conducting various interviews with 35 young professionals, Yang’s conclusion
attributes several factors to this trend. He argues that the macro-level contextual factors
are important to understand this phenomenon of large-scale conversion to Christianity in
China, and cites the increasingly globalized market economy under political repression as
the crucial contextual factor. The market today is perilous and unpredictable, unlike the
non-market Maoist days when everyone had an “iron rice bowl.” The chaos of China’s
emerging market, along with widespread moral corruption in the markets, prompts many
individuals to seek a theodicy, or a religious worldview, to put the seemingly chaotic
universe into order.42 For the Western oriented Chinese, Christianity is not something
traditional, conservative, or restrictive. It is perceived as progressive, liberating, modern
and universal.43 This mindset parallels Micklethwait’s interviews in God is Back, in
which Christianity is perceived as “progressive” for China. Yang’s interviews result in

41 John Micklethwait and Adrian Wooldridge, God is Back: How the Global Revival of Faith is Changing the
42 Fenggang Yang, “Lost in the Market, Saved at McDonald’s: Conversion to Christianity in Urban China,”
43 Fenggang Yang, “Lost in the Market, Saved at McDonald’s,” 425.
similar conclusions: for Chinese converts, Christianity is a faith that provides peace, certainty, and liberation amid bewildering market forces and a stifling and oppressive political atmosphere. Many of the interviewees had similar stories; these young converts struggled with various kinds of jobs in the emerging market, and once lived lifestyles considered morally unacceptable and devoid of meaning. These existential anxieties drove people to seek certainty amid uncertainties of life. While some Chinese search internally within Chinese traditional religions, many young Chinese today are finding their “certainty” in Christianity.\footnote{Ibid, 439.}

With this current trend of religious expansion in China, it is not hyperbole to suggest the potential influence of Protestantism on Chinese culture and society in the next few decades. It is certainly worth studying what Protestant ethics may entail for Chinese society, and how it may potentially influence its cultural worldview when integrated with the traditional Confucian mindset. The next chapter will examine this in more detail, looking first at Confucian ethics and then comparing and contrasting them with Protestant Christian ethics.
Chapter 2

Confucian Ethics & Ideals

For most of the time that China has been under Communist rule, the role of Confucian ethics in the public sphere has been minimized and even demonized—almost to the extent of becoming obsolete. In recent years, however, China’s central state has been urging the revival of Confucian values in Chinese society, hoping for some kind of moral reform through the teachings of Confucius. While Confucian views on relationships and on societal structure are very much idealized, some scholars have argued that certain elements of Confucianism can be effectively incorporated within a business firm. At the same time, it is necessary to realize the limitations of modern interpretations of Confucian ethics and its role in business, as core values and teachings have evolved over time or have been interpreted in different ways. While the scope of this chapter cannot possibly cover every aspect of Confucianism, the core elements of Confucianism embodied in ren (benevolence), yi (rightness), and li (ritual) will be examined along with three other key Confucian virtues—zhi (wisdom), xin (trustworthiness), and xiao (filial piety)—in the context of self-regulation in Confucianism. This will then be followed by a brief compare/contrast discussion of Confucian ethics with Protestant ethics, as well as the nature of a Confucian business firm and its limitations.
An Overview: Confucian Virtues

In the journal article, “Is Confucianism Good for Business Ethics in China?” Po Keung Ip provides an analysis of key Confucian elements and discusses to what extent Confucian values can be used as a foundation for corporate and business management practices. He characterizes Confucianism as fundamentally humanistic, obligation-based, and collectivistic in nature. “It is humanistic in the sense that its primary concern is the human condition, and is deeply this-world-oriented. The obligation-based aspect of Confucian ethics is centralized around issues that are concerned only to the extent that they affect the well-being of human society. It is collectivistic in nature in that it places importance of collective values and interests over individual values and interests.” At its core, Confucianism emphasizes social relationships and harmony, particularly in regards to the family unit, which is regarded as an almost “sacred form of human relationships.” It is no surprise then that throughout Chinese culture, one of the virtues continually praised and emulated is filial piety, which has been emphasized as a primary virtue in the tenets of Confucianism.

At first glance, much of Confucianism may seem to be a collection of political maxims and principles that emphasize propriety in social and moral behavior. This description is an incomplete picture without examining the three core elements of Confucian ethics, constituted in ren, yi, and li. Ren is considered one of the most important Confucian elements, and is the capacity of compassion or benevolence for

fellow humans.\textsuperscript{48} It is considered a foundational principle in interpersonal relations, and is most accurately expressed in human relationships, as the character \textit{ren} (仁) also literally means, “human beings.” The Chinese character itself is the form of a person beside the number two, indicating “interconnected” people.\textsuperscript{49} This character is also translated as “goodness,” and emphasized moral goodness in the Analects.\textsuperscript{50} The exercise of \textit{ren} should involve an altruistic concern for others, in which benevolence and compassion for others is demonstrated. The exercise of this capacity results in \textit{ren} acts and conduct, and also shapes mindsets and moral sentiments.\textsuperscript{51} Woods and Lamond argue that Confucian managers should regulate their conduct if they are conscious that their actions are hurting other people. Showing “empathy for others, while maintaining moral goodness,” is in line with the concept of \textit{ren} and its principle of acting with benevolence.\textsuperscript{52} Scholars have argued that the use of Confucianism in shaping business ethics primarily extends from the concept of \textit{ren}, as it emphasizes benevolence in human relationships and altruism in relating to one another. Lamond and Woods also cite Romar, who argues that Confucianism can shape business management and practices, and make organizations more humane from the individual’s perspective.\textsuperscript{53}

The concept of \textit{yi} in Confucianism is of equal importance, which Po defines as a sense of moral rightness, and the capacity to discern appropriateness and “rightness” in behavioral acts, relationships, and other human matters. To live and behave according to

\textsuperscript{48} Po, “Is Confucianism Good for Business Ethics in China?” 464.
\textsuperscript{51} Po, “Is Confucianism Good for Business Ethics in China?” 464.
\textsuperscript{52} Woods and Lamond, “What Would Confucius Do?” 673.
moral principles rather than focusing on material gain and self-interest encapsulates the idea of yi. Po points to the duality of ren and yi in working together to define morality and guide actions. For business managers, the challenge for effective management is to focus on more than just profit. From a Confucian perspective, this means that a manager ought to follow moral principles in decision-making rather than making decisions based on a short-term focus of profit gained.

Li represents ritual propriety, or the etiquettes, norms, and protocols in both personal and institutional lives. The legitimacy of li (ritual) is based on ren (benevolence) and yi (righteousness), so this means that any li (ritual) that violates a ren (benevolence) does not have to be followed. Though li (ritual) itself is not a virtue, observing li (ritual) is considered a basic virtue. Observing rituals and conducting oneself properly in a social context is all part of the idea of li. In the later discussion, li (ritual) will be further examined as part of the process of building self-regulation.

Two other virtues, zhi and xin, are important in regards to developing self-regulation in Confucianism. Zhi, or wisdom, is the ability to perceive situations correctly and accordingly make the correct decisions in those situations. In regards to self-regulation, this is an obviously crucial aspect, as the person must be wise enough to make the correct judgments in circumstances after a wise evaluation of the options. Cheng also explains zhi (wisdom) as a “self-conscious active power of decision-making and

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56 Po, "Is Confucianism Good for Business Ethics in China?" 464.
57 Woods and Lamond, "What Would Confucius Do?" 673.
choice making based on recognition of a goal."\textsuperscript{58} Xin, or trustworthiness, indicates one's adherence to moral principles and proper social conduct.\textsuperscript{59} It refers to dependability, the degree to which others trust a person, and how likely they are to keep their word. This virtue encourages people to self-regulate in following through on commitments made in relationships.

In Confucian relationalism, xiao, or filial piety, is another highly regarded virtue as it is considered the defining aspect of many human relationships. The basic idea behind xiao is to serve and obey one's parents and respect one's ancestors. Patriarchs demanded filial piety from their children, and emperors demanded it from their subjects in the form of absolute loyalty, or political piety.\textsuperscript{60} Unfortunately, due to the practice of filial piety, a hierarchical structure of human relationships has evolved, creating an authoritarian, top-down structure. When aligned with prescribed authority, domination and subjugation were not uncommon in this hierarchical structure of relationships.\textsuperscript{61} Ironically, this type of relationalism stands in stark contrast to what is prescribed in zhong shu.

\textit{Zhong shu}, articulated by Confucius as the quintessence of ren, is an act and attitude of dealing with people. The conventional meaning of "other-regard" (zhong) in classical Chinese is "loyalty," especially loyalty to a ruler on the part of a minister. In the Analects, Confucius extends the meaning of the term to include exercising oneself to the fullest in all relationships, including relationships with those below oneself as well as


\textsuperscript{59} Woods and Lamond, "What Would Confucius Do?" 673.

\textsuperscript{60} Po, "Is Confucianism Good for Business Ethics in China?" 466.

\textsuperscript{61} ibid, 467.
with one's betters. "Self-reflection" (shu) is explained by Confucius as a negatively-phrased version of the "Golden Rule": "What you do not desire for yourself, do not do to others." (15.24) When one reflects upon oneself, one realizes the necessity of concern for others. The self as conceptualized by Confucius is a deeply relational self that responds to inner reflection with outer virtue.\textsuperscript{62} There are two sense of zhong shu. The first sense, also considered the "weak sense," is shu (self-reflection), which is the reciprocal of the Golden Rule as defined in the above. The "strong sense," zhong (other-regard) prescribes a moral obligation to the individual, in which one is obligated to help others develop morally in the process of developing one's moral self.\textsuperscript{63} This practice of zhong in the strong sense is considered a major life goal for everyone and ties into the concept of Junzi.

Together, ren (benevolence), yi (rightness), and li (ritual) form a moral core that spawns an intricate web of behavior-guiding moral virtues that make up this system of Confucian ethics.\textsuperscript{64} Along with zhi (wisdom) and xin (trustworthiness), these altogether are considered the five cardinal virtues of humanity. Xiao (filial piety) is likewise considered an essential virtue of Confucianism and perhaps is one of the more unique components of Confucian ethics. The practice of zhong shu (other-regard and self-reflection) are also central life goals in the moral universe of Confucianism. The person who exhibits all these characteristics—the Junzi (usually translated at "gentleman" or "superior person")—is the model of an exemplary Confucian moral person, and symbolizes the virtuous of the virtuous.\textsuperscript{65} Max Weber describes the Junzi as someone who is "both inwardly, and in relation to society, harmoniously attuned and poised in all

\textsuperscript{63} Po, "Is Confucianism Good for Business Ethics in China?" 465.  
\textsuperscript{64} Ibid, 465  
\textsuperscript{65} Ibid, 465.
social situations; he behaves accordingly and without compromising his dignity. It is believed that the common person best served heaven by “developing his own true nature,” for in this way, the good in every person would unfailingly appear. This idea is again tied to the concept of self-regulation in Confucianism, which will be discussed in more detail below.

The Junzi is also expected to adhere to the collective mindset of Confucian values, in which people are defined as essentially social in nature. This identity of familial collectivism is opposite of Western individualism, and asserts that a person is defined by his or her relationships with others in the world. Due to its socially embedded nature, a person’s interests, goals and well-being have to be socially shaped, nurtured, and constrained by the person’s relationships. Based on this worldview, there is no individual identity in the egoist sense as conceived in the worldview of the West. The concept of a socially based person is also consistent with the virtue of ren, since ren is supposedly demonstrated in these human relationships. Thus, the person’s relational self fits neatly with another Confucian concept of guanxi (relationships or connections).

Guanxi, in more ways than one, is essentially the Chinese equivalent of networks. The widely practice phenomenon of guanxi (connections) is particularly relevant to Chinese culture and in many aspects of both business and personal life. Whether one has the proper or good guanxi is perceived to be critical to a company’s success. While people use guanxi to gain advantages or favors in business and politics, oftentimes the downsides of guanxi result in unfair competitive advantages over others as well as many deals done “through the back door.” During the years of rapid economic development in

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68 Ibid, 469.
the 1990s, local and foreign firms invested heavily in cultivating *guanxi* with the authorities by bribing state and local officials to gain advantage over competitors. *Guanxi* helped firms to secure lucrative commercial deals, win bids for public projects and obtain favorable loans from state banks. Those who did not have as strong *guanxi* networks were on the losing end under such circumstances. Because of these kinds of situations, the idea of *guanxi* is strongly associated with corruption in China, which essentially violates the virtues that should guide a *Junzi*.

The development of self-regulation as mentioned previously is part of the overall development of a person in becoming a *Junzi*. For Confucius, the process of developing self-regulation is a gradual refining rather than a "conversion experience." Weber argues that it is this belief in self-development that led to the emphasis on education in Confucian cultures. Education became the focus, as everything was an educational problem, and the educational aim was the development of the self from one's innate natural abilities. For Confucius, the process of becoming a *Junzi* involves the development of the self-regulating function of the conscience, partly through a process of refinement that includes the observance of ritual, music, self-examination, and mentoring.

Theorists regard habituation and ritualisation as processes to internalize social values, and rituals may help to shape one's character. It is a way to strengthen the sense

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69 Po, "Is Confucianism Good for Business Ethics in China?" 469.
70 Woods and Lamond, "What Would Confucius Do?" 677.
of social and spiritual integration and a method of ensuring continuity with the past.\textsuperscript{74} Regarding the role of music, Confucius believed that listening to music could help develop a person’s moral character. Woods and Lamond note that while music is important for building national and organizational unity in East Asian countries, the actual effect of it towards improving ethical self-regulation is debatable, and would require further research. The Confucian idea of self-examination differs from the practice used during the Chinese Cultural Revolution. In contrast, it is a much gentler and socially interactive process, based on the idea of reflective learning.\textsuperscript{75} The Confucian practice of self-examination is not focused on meditation on metaphysical concepts, but rather involves reflection on everyday events and consideration of one’s behavior and attitude related to those events.\textsuperscript{76} It also involves setting one’s heart/mind in the “right direction” and causing ethical changes in conduct based on the guidance of the heart/mind.\textsuperscript{77} Mentoring extends from the concept of \textit{zhong shu}, in which the “strong sense” of \textit{zhong shu} involves a moral obligation to develop others morally while developing oneself morally as well. Throughout the Analects, Confucius continually emphasizes the importance of mentoring as a way of refining ethical conduct. Within a mentoring relationship in organizations, Confucius would likely appear to encourage active discussion of ethics in practice, with participants offering opinions and receiving

\textsuperscript{74} Woods and Lamond, “What Would Confucius Do?” 678.
\textsuperscript{75} Ibid, 678.
\textsuperscript{76} Y.P. Wang, \textit{The Confucian Conception of a Moral Person} (Hong Kong: University of Hong Kong Press, 2000).
correction or encouragement. The goal is to refine ethical conduct rather than simply focus on developing skills or career advancement.

A Brief Comparative Analysis: Confucian and Protestant Ethics

As the goal of this chapter is not to do an in-depth comparative analysis of Confucian versus Protestant ethics, this section will briefly delineate some of the overlaps seen between Confucianism and Christianity as well as examine some of the disparities between the two. In chapter four, I will use case study examples from field research to illustrate some of these disparities and how Protestant ethics seemed to have more impact on those “Boss Christians” and the way they ran their businesses.

The concept of ren (benevolence) is remarkably similar to what Jesus calls the second greatest commandment of the Bible: “Love your neighbor as yourself.” Much of the Ten Commandments from the Mosaic Law reflect this basic principle of “loving your neighbor.” For example, with commands such as “Do not steal,” “Do not commit adultery,” “Do not give false testimony against your neighbor,”—all of these commands are rooted in the basic concept of showing benevolence, concern and altruism for one’s fellow man. In many ways, the idea of ren is identical to the Golden Rule, which Jesus also quotes in the New Testament: “So in everything, do to others what you would have them do to you.” Zhong-shu (other-regard and self-reflection) is akin to the reciprocal of the Golden Rule; the “weak sense” shu admonishes the aspiring Junzi to not do to others what they would not like to have done to them.

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79 Bible, NIV: 1984, Mark 12:31
80 Ibid, Matthew 7:12
The rest of the virtues such as yi (rightness), li (ritual), zhi (wisdom), xin (trustworthiness), and xiao (filial piety) are also consistent with Biblical principles. The desire to act with benevolence, compassion, and moral uprightness (ren-yi-li) echo many chapters found in the Old Testament’s book of Proverbs. Wisdom (zhi), is likewise a major theme of Proverbs, though the beginning of wisdom begins with “the fear of the Lord,” as written in the first chapter of Proverbs, while the beginning of wisdom as defined by Mencius begins with the sense of right and wrong.\footnote{\textcite{guo_qiyong_2007_is_confucian_22}} The virtue xin (trustworthiness) echoes another oft-quoted verse by several Wenzhou boss Christians I interviewed from the Bible’s New Testament: “Simply let your ‘Yes’ be ‘Yes,’ and your ‘No,’ ‘No.’”\footnote{\textcite{bible_niv_1984_matthew_5:37}} Even the more traditionally recognized Confucian virtue of xiao (filial piety) is consistent with the Ten Commandments as written in the Mosaic Law: “Honor your father and your mother, so that you may live long in the land the Lord your God is giving you.”\footnote{\textcite{bible_niv_1984_exodus_20:12}} For one to aspire to these qualities to the ideal of the Junzi parallels a similar desire for Christians to aspire to be like Christ. The term “Christian” comes from the Greek word \textit{christianos}—meaning “follower of Christ.”

The primary difference lies in the application, or follow-through, with these principles. Confucianism emphasizes “self-regulation,” with rituals, music, self-examination and mentoring to help achieve this ideal standard set by the Junzi. On the other hand, Christianity argues that man cannot be truly good without divine transformation of man’s nature. In short, Confucianism places the emphasis on human effort to self-regulate and achieve the ideal of Junzi. Christianity places emphasis on the role of “God’s grace.” Man need not labor through their own efforts to attempt to match

\begin{footnotes}
\item[\textcite{guo_qiyong_2007_is_confucian_22}]
\item[\textcite{bible_niv_1984_matthew_5:37}]
\item[\textcite{bible_niv_1984_exodus_20:12}]
\end{footnotes}
God’s standard of perfection, but rather through the Holy Spirit’s transformational work in Christians, that one is able to be gradually transformed into the “ideal,” set by Jesus Christ. The apostle Paul declares this in an epistle to the Corinthian church: “Therefore, if anyone is in Christ, he is a new creation; the old has gone, the new has come!”\textsuperscript{84} The old nature, governed by man’s sinful nature, has been overtaken by the new nature, bestowed by Christ/Holy Spirit.

Ultimately, Confucianism views human nature more optimistically, whereas Christianity views human nature more pessimistically. Mencius believed in the “inner goodness” that can be developed through self-discovery, and Confucius advocated a gradual self-refining process. While the Bible states that human beings are “created in God’s image” and therefore will retain certain positive qualities, there remains the sinful nature which will ultimately dominate human nature. This is not to say that human beings are incapable of doing good at all, but rather that the propensity to be sinful and seek one’s own self interest will more often than not dominate the will to do good and be completely selfless.

Thus, Confucian and Protestant ethics both represent similar ideals and virtues; what ultimately sets them apart is in their application. While business leaders in China may aspire to be like Confucius’s \textit{Junzi}, the amount of corruption that occurs among businesses and the corporate world leaves one to wonder why Confucian ideals have not been as successfully achieved as hoped. The following section will look at the idealized model of a Confucian firm as well as its drawbacks and weaknesses.

\textsuperscript{84} Bible, \textit{NIV}: 1984, 2 Corinthians 5:17
The Confucian Firm

In an idealized model, Po Keung Ip describes the nature of a Confucian firm and what that would entail. The Confucian firm would closely observe the fundamental principles of *ren* (benevolence), *yi* (righteousness), and *li* (ritual) in all its business practices and procedures. It is expected to treat its major stakeholders—shareholders, employees, clients, suppliers, communities, government, as well as the environment—with "compassion and rightness" in accordance with *ren-yi-li*. Profit-making is a legitimate goal for the Confucian firm, as long as corporate leaders relegate profit-making under the moral constraints of *ren-yi-li*. In this respect, the Confucian firm described by Po would not go against the spirit of capitalism. At the same time, Po delineates potential problems with this model, some of which are already evident in modern day business practices in China today. He cites the practice of *guanxi* (connections), which has traditionally favored relationships over qualifications and capabilities. The hierarchical structure in relationships as discussed in the above is also evident here, with paternalistic relationships within the business firm. These authoritarian, top-down relationships treat employees as somewhat less worthy subordinates, and create in employees a habit of dependence and blind submission to authority figures.⁵⁵ There is no room for honest feedback within these firms characterized by dominance and compliance, as the will of superiors are expected to be obeyed without question.

The concept of equality among persons is likewise inconsistent with the Confucian ideas of collectivism, paternalism and authoritarianism. Since collectivism defines the values and interests of an individual as subordinated to those of the group of

⁵⁵ Po, "Is Confucianism Good for Business Ethics in China?" 469.
which the individual is a member; it subjugates the values and interests of the individual
to the group and community, diminishing any significance of the individual in light of the
collective group.86 Paternalism restricts or suppresses an individual's freedom to choose
with the claim that it acts in the best interest of the individual. In a firm, institutionalized
paternalism creates an environment that hampers development of the individual's
capability to make choices and thus restricts the growth of individual autonomy.87
Authoritarianism bases the allocation of benefits and opportunities on raw authority. The
saying, "Might is right" captures the nature of authoritarianism. In practice, authoritarian
managers influence employees not by reason and facts, but by brute power and authority
that often lack legitimacy.88

While these problems may arise within a Confucian Firm, Po argues that one
should not dismiss many of the positive qualities and contributions a Confucian ethics
system could contribute, especially in terms of ren-yi-li and zhong shu. Reviving the old
tradition of virtue as prescribed by Confucianism may turn out to be helpful in curing the
ills and corruption resulting from the relentless pursuit of profit that is plaguing China
today. At the same time, recognizing the limitations of a Confucian ethics system is
important, because only then is it possible to take into account other systems of ethics
that may contribute other positive qualities to meet the limitations of a Confucian system.
The next section of this paper examines Protestant ethics and its influence in Wenzhou in
particular.

86 Po, "Is Confucianism Good for Business Ethics in China?" 473.
87 Ibid, 473.
88 Ibid, 473.
Chapter 3

Wenzhou's Development and Culture of Christianity

The first part of this chapter will focus on the history of Wenzhou's economic development spanning the period from 1949 to the present, as well as its significance for Chinese modernization. The latter half of this chapter will cover the growth of Christianity in Wenzhou, as well as the roles of "Boss Christians" in relation to the state and the church.

A once impoverished port city located behind a mountainous range along the southeastern coast of China, Wenzhou is currently China's richest prefecture-level city in Zhejiang, China's richest province. As an administrative unit, Wenzhou covers 11,800 square kilometers with an urbanized area of about 488 square kilometers and a large rural region divided into eight counties. As of 2010, Wenzhou's population totals 9.1 million residents, with 3 million residents living in Wenzhou's city proper.

Historically, Wenzhou has been isolated from most of Zhejiang by its mountainous terrain and was considered a strategically vulnerable frontline (qianxian) against Nationalist forces in Taiwan and received little investment from the central state, totaling 655 million yuan between 1949 and 1981. In contrast, Zhejiang's other port city Ningbo received 2.8 billion in central investment.\(^{89}\) While the lack of central state support made life more difficult in Wenzhou, it also made the area relatively free from central state intervention and opened up opportunities for development of Wenzhou's private economy. Limitations in state investment forced Wenzhou to rely on local

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resources and build on the expansion of underground and private economic activities that were mostly illegal. The "self-liberation" by a local guerrilla force in 1949 also provided Wenzhou the solidarity that enabled them to resist state-enforced collectivization and to protect the development and growth of private economic activities. This protection of private industries led to rapid growth in the private sector after the 1978 reforms.

*The Wenzhou Model of Economic Development*

The "Wenzhou model" of economic development was officially coined in 1985 by a major official newspaper, *Liberation Daily*. Since the 1990s, the rise of Wenzhou has drawn national attention and admiration to the once obscure region—changing its reputation from a once impoverished, crime-ridden city to the most prosperous and wealthiest city in Zhejiang province.

Scholars and academics examining the Wenzhou model have identified a few distinctive characteristics. These include the plethora of private commodity and household industries which sprang up as early as the 1950s, as well as private labor markets and private credit and financial markets—or what has evolved into today as "back-alley banking," and "shadow financing."

*Evolution of Household Industries and Private Enterprises*

Wenzhou's household commodity industries center around small-scale, manufacturing-centered family enterprises whose products are often dependent on market

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demand and fluctuate based on the demand for particular products in a time period. These products vary from buttons, leather, shoes, clothes and textiles, to cigarette lighters, valves, paper and furniture. More than 130,000 rural households in Wenzhou engaged in household production and trade during the Cultural Revolution when shortages of basic consumer goods and unemployment were widespread. Peasants in many villages illegally divided the land among themselves and set up collective rural enterprises.\(^\text{91}\) By the mid-1970s much of the local population of Wenzhou had developed an alternative, private economy that would later become the backbone for the Wenzhou model in the 1980s.

Much of the development in these private household enterprises preceded state reform as new economic initiatives and institutions developed based on local needs. One of the most widespread forms was the *guahu* ("hang-on households"), which along with "red-hat," *dai hongmaozi* enterprises, became the foundation of the Wenzhou economy. *Guahu* firms attached themselves to a public enterprise, paying a fee for the use of its name, stationery, letters of introduction, bank account numbers, as well as taxes paid on its income. Red-hat firms (also known as township and village enterprises, "TVEs") similarly took on public associations by registering as collectives with the local committee or village office as their "responsible administrative department" in return for a management fee.\(^\text{92}\) In 1985, family *guahu* firms had 300,000 employees, while "red-hat" TVEs mushroomed from 39,908 in 1983 to 81,026 in 1987.\(^\text{93}\)

Despite its early success, the family-based Wenzhou model faced challenges and competition in the 1980s and has been undergoing restructuring and change. Wei, Li and

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\(^{91}\) Parris, "Local Initiative and National Reform," 245.

\(^{92}\) Ibid, 246.

Wang argue that the Wenzhou model has gone through two rounds of restructuring, (from family enterprises to shareholding cooperatives to shareholding enterprises), that include four major types of strategic response: institutional change, technological upgrading, industrial diversification, and spatial restructuring. The formation of new firms and relocation have been accompanied by mergers, acquisitions and the emergence of multiregional enterprises (MREs), many of which have relocated to metropolitan areas with more R&D opportunities, such as Shanghai and Hangzhou.94

Most Wenzhou enterprises today face challenges in transitioning from a local economy to a globalized economy. Many of these firms are still controlled by family members or individuals and tend to be low tech firms that lack R&D capacities. Because Wenzhou is a prefecture-level city, there are no national universities or research centers. The problem with local R&D is worsened by the weakness of FDI (foreign direct investment).95 Wei, Li and Wang point out that the political systems that were built on local networks and protectionism in Wenzhou have made the region less attractive to FDI. Geographic isolation and limited land space have also contributed to this shortage in FDI and relocation of firms.96 As enterprises grew in Wenzhou, the demand for technological upgrades and available land grew as well. These "structural and political lock-ins" described by Wei, Li, and Wang in the above forced some enterprises to relocate to bigger metropolitan cities like Hangzhou and Shanghai. For the firms that have successfully relocated, these relocations have facilitated the development of new

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94 Wei, Li, and Wang, "Restructuring Industrial Districts," 421.
95 Ibid, 430.
96 Ibid, 430.
industrial districts within larger metropolitan areas, as well as contributed to the
globalization of these areas like Shanghai and Hangzhou.\textsuperscript{97}

**Evolution of Private Wage, Labor and Financial Markets**

Official state policy in 1981 dictated that private enterprises could have a
maximum of seven employees. Fortunately, this stringent policy loosened its grip on
firms in 1983, expressing greater official tolerance for hiring wage labor in private
enterprises.\textsuperscript{98} This policy became popularly known as *kan yi kan*, or “wait and see,”
especially allowing firms to “wait and see” depending on the leniency of local officials
and on local conditions. Hiring private wage laborers was a sensitive subject during this
time, since official party ideology opposed the commoditization of labor. Yet Wenzhou’s
private enterprises turned a blind eye for the most part, hiring at least 40,000 wage
laborers, with some firms hiring over 100 people.\textsuperscript{99} Although private wage laborers and
private “*xiying*” enterprises were officially sanctioned in 1988, the red-hat practice
continued primarily because of the political risk and stigma generally associated with
private firms.

The underground financial markets in Wenzhou have arguably played one of the
most significant roles in shaping the early private economy. Most private enterprises
were unable to get loans from state banks and thus were forced to turn to other venues:
*minjian xinyong* (“people’s credit”), or the local capital market. About 95 percent of the
total capital needed by private enterprises was supplied by “underground” financial
organizations, such as money clubs, specialized financial households, *qianzhuang*

\textsuperscript{97} Wei, Li, and Wang, “Restructuring Industrial Districts,” 442.
\textsuperscript{98} Parris, “Local Initiative and National Reform,” 246.
\textsuperscript{99} Ibid, 247.
("money house"), and money shops. The ease in getting loans from underground financial organizations was crucial in helping many firms get off the ground. Without the help of these private loans, it is doubtful that many of these private enterprises would have been able to finance their businesses on their own. One prominent Chinese economist, Andy Xie, has commented that "underground financing has a long and productive history in China...Underground financing is a major force behind the export-led economic boom along the coast."  

While underground financing organizations were crucial to initial investment for these private firms, many of them set very high interest rates—and continue to do so today. With limited access to state banks, small and medium private enterprises (SMEs) are mostly dependent on shadow financing organizations, despite their high interest rates. Recently, Wenzhou's shadow financing system has been a target for blame in the midst of rising bankruptcies among SMEs in Wenzhou, though Chinese economists like Xie argue that the bankruptcies are mostly due to speculation with borrowed money. Because of decreased profitability in exports, shadow financing has moved from financing export-led SMEs to financial speculation.

What Made the Wenzhou Model Work?

Chinese scholars and officials have identified other factors to account for the rise of private industry in Wenzhou—including the historical tradition of entrepreneurship, the lack of state investment and the weakening of state control due to Wenzhou's geographic isolation, the economic destitution of the Wenzhou population, the state

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100 Liu, "Reform From Below," 298.
reform policy after 1978, and the open-mindedness and willingness of the Wenzhou cadres to take risks to protect their local private enterprises.\textsuperscript{102} Liu provides an additional argument, emphasizing the autonomy of local guerrilla forces and their autonomy from the state’s military force in the Maoist era, which created local solidarity and mutually beneficial relationships between Wenzhou cadres and Wenzhou private entrepreneurs.

Liu’s research in Wenzhou indicates that the history of private enterprises stretches a while back to 1956, beginning first with private household farming. This practice quickly spread in Wenzhou, and while this was later denounced as anti-revolutionary, the practice was never fully eradicated in Wenzhou. Household commodity production also took root in Wenzhou since 1949, beginning first with spinning and weaving and later building underground factories producing machine tools and the like.\textsuperscript{103} With little notice by the state government, Wenzhou’s local household industries and farmers operated in their own underground private economy, which enabled them to develop very quickly after the 1978 reform and ultimately become China’s first city to embrace a predominantly private, capitalist economy.\textsuperscript{104}

Without the cooperation of government at both the local and national level, the private economy could not possibly have flourished for such a long time. Another crucial aspect of the Wenzhou model’s success lies in the early governing of Wenzhou, as well as tacit political support from the central government in the 1980s, designating Wenzhou as an “experimental zone.” Unlike other regions that were governed by outside officials selected by the central state, Wenzhou was governed by its own local cadres—often elected relatives of the Wenzhou local population who tolerated and even protected

\textsuperscript{102} Liu, “Reform from Below,” 294.

\textsuperscript{103} Lin Bai et al., \textit{The Rise of Wenzhou}, (Nanning: Guangxi renmin chubanshe, 1987), 32-33.

\textsuperscript{104} Liu, “Reform from Below,” 308.
“illegal” private economic activities. This strong solidarity is in large part due to the early history of Wenzhou, in which the autonomy of local guerrilla forces from Mao’s military formed a local solidarity that later helped build strong relationships between local cadres and entrepreneurs. Many Chinese scholars have agreed that it was in part due to these Wenzhou cadres’ pragmatism and willingness to take risks that enabled the speedy development of the private sector.\(^{105}\) Many of the local village cadres themselves were involved in private economic activities and benefited from them. The lower the administration level, the more likely it was for these local cadres to be involved directly in commerce and industry. A former county party secretary’s testimony supports this analysis: “I discovered from my inspections that the prosperous localities almost always had higher proportions of cadres engaging in commerce or industry themselves.”\(^{106}\) Later on, when post-1978 reforms took place, the central state began to take notice of the exponential growth of Wenzhou. In the mid-1980s, Wenzhou won the support of many national leaders who visited the city. Among these included Wan Li whose personal tie to Deng Xiaoping was of special significance to Wenzhou, and other national leaders like Zhao Ziyang, Tian Jiyun, Du Runsheng, and Wu Xiang.\(^{107}\)

The success of the Wenzhou model is ultimately a combination of various factors—the geographic isolation and weakened control of the central state over the region, the historical legacy of guerrilla forces and their community solidarity, the willingness of cadres to take risks for private enterprises, as well as tacit support from both local and central government post-reform years. At the same time, scholars have

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\(^{107}\) Liu, “The ‘Wenzhou Model’,” 704.
pointed out that other areas share similar characteristics, such as Ningbo and Shaoxing in east Zhejiang, which are less than 100 miles from Wenzhou, but are dominated by collective industry.\textsuperscript{108} Liu argues that the one unique factor differentiating Wenzhou from these other regions ultimately lies in the resiliency and strength of relationships between local cadres and entrepreneurs, as well as the intersection of interests between cadres and the Wenzhou locals, all of which stemmed from their history of “self-liberation” by an independent local guerilla force in 1949.\textsuperscript{109}

\textit{Christianity in Wenzhou}

Although nationally featured for its economic development in recent decades, Wenzhou’s lesser known reputation as “China’s Jerusalem” has been drawing attention as well in recent years. The history of Christianity in Wenzhou stretches back to the Qing Dynasty, serving then as an important base for foreign Christian missionary activity. Today Wenzhou’s Christian population is estimated between 700,000-1,000,000, roughly 12 percent of the population—and very likely more, not including unaccounted underground, house churches.\textsuperscript{110} Wenzhou’s church culture has been heavily influenced by the “Local Church” movement led by Watchman Nee. By 1949, Wenzhou already had 70,000 Protestants.\textsuperscript{111} During the Cultural Revolution, many Wenzhou churches were driven underground, not unlike its private businesses. Because they were geographically

\textsuperscript{108} Liu, “Reform from Below,” 301.
\textsuperscript{109} Ibid, 294.
\textsuperscript{110} Weller and Sun, “Religion,” in China Today, China Tomorrow, 42.
\textsuperscript{111} Ibid, 42.
isolated and far from central state control, many Protestant Christians were able to maintain their faith even through the Cultural Revolution.

Wenzhou’s “Boss Christians”

A distinctive feature of Wenzhou’s Protestant Christian culture lies in the sheer number of “Boss Christians” who are both prominent private entrepreneurs and devout Protestant Christians. “Boss Christians” (laoban jidutu), are one of the most prominent groups among the “new type” of Christians that have emerged since the end of the 1980s. As mentioned in chapter one, these Christians are usually white-collar workers or private business owners with wealth. The emergence of this new class of Christian entrepreneurs is significant; their leadership in business and in church has helped reconstruct the role of Christians in the private sector and in relation to the state.

One of the most unique characteristics of Wenzhou “Boss Christians” is their close social and political connections to the local government. Unlike older Christians who largely view the government as an enemy to their faith, Christian entrepreneurs in Wenzhou see the local state as a potential partner that helps facilitate their work in spreading their faith. Nanlai Cao argues that their assertiveness and boldness in dealing with the local state is a result in part of their “well-internalized notion of economic development as the fundamental principle in society under the contemporary reformist state.” Because of their wealth and prominence in the business community, many Wenzhou Christian entrepreneurs are not afraid to work with the government. They know

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112 Chen and Huang, “The Emergence of a New Type,” 188-189.
114 Cao, Constructing China’s Jerusalem, 32-33.
that their contributions to economic development are valued by the state, and so this
gives them leverage in building relationships with the local government. One prominent
Boss Christian Cao interviewed shared an episode in his negotiations with the local
government:

They invited our Wenzhou entrepreneurs to invest in a local high school based on
500 mu of land. As a Christian, I requested they provide an investment environment that
included three sacred things. First, I asked for a sacred school there, a Christian-culture-
based school like Harvard and Cambridge, and they agreed. Second, I asked for a sacred
hall, a church for gatherings, and they also agreed. Third, I asked for a sacred mountain
like the Prayer Mountain in Korea. Korea’s rapid development has resulted from their
prayers. The local government promised me 5,000 mu of mountain land.\textsuperscript{115}

In one of his interviews, Cao talks with a prominent boss Christian, “Brother Gao,” who
is himself a government official and serves as a party secretary of his district, governing
approximately three thousand residents. Cao cites direct testimony from Brother Gao,
who said that by following God’s standards, he was able to successfully deal with local
gangs in a road construction project and refuse various types of bribes. Another example
of a prominent Wenzhou boss Christian is Brother Chen, who owns the largest Wenzhou
Christian enterprise, called Shengli (translated: “God’s power”) Group Ltd. With more
than twenty manufacturing companies and assets of more than ¥1 billion, Chen is eagerly
sought out by the reformist state as an example of a model private entrepreneur. Brother
Chen, who has made his Christian faith public on TV and newspapers, even recently
accompanied President Hu Jintao on a visit to North America as part of a private
entrepreneur delegation.\textsuperscript{116}

\textsuperscript{115} Cao. Constructing China’s Jerusalem, 32.
\textsuperscript{116} Ibid, 27-28.
Certainly in Wenzhou, and even in China today, Christianity has gained prominence as a useful social force in governance and for the economy.\footnote{Donata Hardenberg, "Christianity: China's Best Bet?" \textit{Aljazeera}, July 1, 2011, accessed December 8, 2011. http://www.aljazeera.com/programmes/101east/2011/06/2011629646319175.html} Cao cites testimony from numerous Christian entrepreneurs who testified to using “Christian business management principles” in their business practices. Examples of this include honesty in their business dealings, refusing bribes and offers of sexual favors, as well as humane and generous treatment of both migrant and non-migrant laborers in their factories. These characteristics are typical of “boss Christian” entrepreneurs in Wenzhou, though the same cannot necessarily be said of other Wenzhouese, non-Christian entrepreneurs, who often employ illegal, self-serving practices in their businesses.

Many of the Wenzhou Christian entrepreneurs attribute their own economic success and Wenzhou’s economic development to “God’s work” among the local Wenzhou population, and actively cite Max Weber’s \textit{The Protestant Ethic and the Spirit of Capitalism} to highlight the connection between the integration of their Protestant Christian faith and Wenzhou’s economic development. For many of these Wenzhou boss Christians, Weber’s work has been a “how-to” guide in their businesses and regularly sits on their shelves right next to the Bible.\footnote{Weller and Sun, "Religion," \textit{China Today, China Tomorrow}, 48.} The Wenzhou Christian notion that “doing business is serving God” mirrors the reformist state language of “letting a few people get rich first” and “getting rich is glorious.” Their success in business not only fulfills a Protestant’s duty to work hard for the glory of God but also meets the secular demands of the reformist state, which emphasizes economic development.\footnote{Cao. \textit{Constructing China’s Jerusalem}, 35.} Their position as both Christians and entrepreneurs gives them a unique platform on which to continually
renegotiate the boundaries of religion and politics through blending personal faith with economic development.\textsuperscript{120}

While Cao's work is the first to examine Wenzhou's Christian culture in detail, he does not discuss specifically what kind of "business management practices" these Christian entrepreneurs use in their businesses or to what extent their faith intertwines and influences their business practices. The research I conducted in China during interviews also investigates the influence and impact of Confucianism on their business practices—though based on the in-depth interviews conducted, it seemed that this was not the primary influence for most of these "Boss Christian" entrepreneurs. The rest of this thesis will examine this aspect in more detail.

\textsuperscript{120} Cao. Constructing China's Jerusalem, 35.
Chapter 4

"Boss Christians" and Business Ethics

During my time conducting fieldwork in China, I had the opportunity to conduct several in-depth interviews with Wenzhou Christian entrepreneurs and CEOs, as well as a retired Christian Party Secretary from Wenzhou. Each person I spoke to had no relation to each other—I found my interviewee contacts through separate connections—so it was intriguing to hear similar business principles and Christian ethics consistently articulated by them in their individual accounts.

While many Wenzhou entrepreneurs build large companies and businesses in their native city, many also expand to other parts of China such as Shanghai, China's most metropolitan and modern city. As these businesses continue to grow and expand, Wenzhou entrepreneurs often leave their native hometown to modernize their businesses or companies in Shanghai, where more resources are available to them.

This chapter will discuss in detail several identifiable themes that have been consistent across all interviews, addressing specifically how these CEOs’ Christian faith affected or influenced their business practices and ethics. The first theme is in their mutually shared goal to glorify God in business; this mindset is exemplified in their personal work ethic, which seeks to put God’s principles first. Secondly, they all similarly emphasized the importance of honesty and integrity in their business dealings. It is because of their business integrity that many of these businesses have built a strong reputation and trust with their clients and business partners. Lastly, their treatment of workers and employees is particularly notable. Many Christian bosses treat their workers
with great kindness and respect, and see their workers as individuals to whom God had
entrusted them with sharing the Gospel, or “Good News.”

Each individual account may differ in emphasis, but they nonetheless share
common principles and values in the three areas noted above.

_Suerli: President (Brother) Lin_121

President Lin (Lin dong), also called Brother Lin (Lin dixiong), founded Suerli—
currently among China’s top producers in wool textiles—in 2002. His company employs
over 200 people and holds a 60 percent market share in China’s wool and cashmere
textile industry, with 20 percent in exports, and annual earnings of about 4.5 million yuan.
The company also hosts a factory church, which has been instrumental in bringing
thousands of people to their annual Christmas celebrations. The company is currently
planning for further expansion into Zhejiang province; their current location is in Zhang
Jia Gang, right outside of Shanghai. Given the ten years he has had to develop this
company, it is actually a rare occurrence for textile companies to grow so quickly and so
fast within a short period of time. He attributes his company’s success to “a lot of hard
work” as well as “God’s provision.”

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121 *Names throughout this chapter have been changed to protect the identity and confidentiality of the interviewee.*
When asked whether Christianity or Confucian thought influenced his business practices more, he replied without a doubt that Christianity had far greater influence. Pointing to a dusty row of books one of his shelves, he recounted that prior to his conversion to Christianity, he often consulted secular business management books, but today, he only consults God and the Bible. He says that in comparison to these secular management books, “the Word of God is much greater and offers even more in-depth business insights and guidance.”

During the interview, I also asked President Lin for his thoughts on the differing practices and principles between Christian and non-Christian businesspeople in China. For Lin and many other “boss Christian entrepreneurs,” the primary purpose of business is not to earn profit, but to “glorify God” in their work. He clarified that though they seek to make a profit according to God’s principles, wealth, status and power are not their
main goals. To hear this kind of statement coming from a Chinese entrepreneur and businessman is not only rare in a profit-driven China, but also quite unexpected from businessmen in general where oftentimes the importance of “the bottom line” is tacitly assumed. Throughout our conversation, he emphasized again and again that everything he was doing was “for God’s glory.” Concretely, this meant that he would not take advantage of others in business. Even when other less scrupulous businessmen have taken advantage of him, thinking he was easy to bully, he said that he would not take personal revenge, but instead would “thank God anyway and see it as an opportunity for growth and learning.” He contrasted this with his past, saying that prior to his conversion, he would definitely have sought vengeance in those situations if someone dared cross him. But after becoming a Christian, he no longer sought to return “evil for evil, eye for an eye, tooth for tooth,” but instead, “trusts in God’s sovereignty in those situations.” President Lin also told me that he hopes to always maintain a “humble attitude,” recognizing that everything he has is from God and he is simply “the steward” God has currently entrusted with these things.
In contrast to many other corporations that often see familial conflict, Lin attributes the harmony in the management of Suerli to his family’s shared Christian faith. Whereas other family founded corporations will often have complex family politics over profit and power, Lin, along with the rest of his brothers and sisters, are able to have very good working relationships with one another. He admits that the current challenge lies in their decision to hand over the company to the next generation, but reiterates that together, he and his brothers and sisters pray over the matter and ask God to guide their decisions.

Whenever he faces challenges, President Lin shared that the best thing he could do was to turn to God and “lift these things up in prayer.” He testifies that his faith has given him much relief and peace of mind in terms of the mental and emotional pressures of work, along with the usual challenges of business. Whenever he faces problems in the workplace, he will talk it over with fellow church elders and brothers and sisters and pray together for guidance. In regards to the various social pressures he faces in Chinese business culture—giving bribes, attending business parties with hostesses, or “xiaojie,” smoking, drinking with government officials—he shared that it was due to “God’s protection,” that he did not have as much trouble as expected with these pressures. For most private businesses in China, and particularly in Wenzhou, establishing good guanxi (connections) with government officials has been imperative to the success of business deals. Despite the tacit approval given to backdoor dealings, Lin and his company have been able to navigate some of these complicated relationships with “God’s provision” to them in these areas. Government officials eventually understood that he did not attend business social gatherings at karaoke bars because of his faith, and even respected him for it and no longer pressured him to join them. While non-Christian businessmen balk at
this, believing that it is necessary to network or build “guanxi” by going to these events, Lin said that despite some of the “missed opportunities” to build business networks, he sees that God will often provide in other ways for them. One example of this has been “God’s protection” to them in the factory setting. Many factories experience multiple accidents and injuries throughout the years, but Suerli has rarely had any problems in regards to workplace safety.

As for his workers and employees, President Lin shared that he viewed his company employees as his “mission field,” or “flock.” Many of his employees were not Christian when they first started working at his company, but after hearing and seeing the life testimonies of other factory workers who were Christians, and through bringing them to the factory’s in-house church, many of these workers later converted to Christianity. Lin also mentioned here that these workers were invited to sit in church services without having to work, for full pay. If they did not wish to attend the service, they could choose to continue working. The day I interviewed President Lin and his vice president, Brother Ding, I witnessed firsthand the relationships they had with their employees while they gave me the factory tour. It was clear that many of the employees looked up to President Lin and V.P. Ding with fondness and respect, and while not all of them shared Lin’s Christian faith—one employee confessed to me privately that he still has great respect for President Lin, who has been very kind to him. Lin also shared that one company employee even came up to him once after a Christmas service and told him, “I am currently an employee here, and I would like to bring thirty more workers to your factory.”
In the past, the local government had asked President Lin to stop holding church services, after learning about their in-house factory church. While Lin and Ding both view the government as an authority God has placed over them, citing Romans 13 from
the New Testament, both also agree that under circumstances in which they are challenged to compromise their faith, they must ultimately obey God over the government. Due to the positive reputation their church has built, the government has seen that they are not trouble-makers or rabble-rousers and has even sent police to help protect them and keep the peace during crowded annual events such as their Christmas services, which had over 2,000 people in attendance this past year.

Through his hard work, the success of his business as well as the growth of his factory church, President Lin hopes that Suerli would be a positive testimony in the textile industry. In everything he does, he hopes to work hard, do his best, but also to not neglect the ministry and other responsibilities God has given him. “In the future after I hand off this company to the second generation, I hope to enter the mission field and do long-term missions work,” President Lin says, “I cannot imagine any work more meaningful than this.”

President Lin and Vice President Ding in the factory’s house church (Background Chinese characters translation: “God loves mankind”)
President Song—also called Sister Song (Song jiemei)—started Double Rainbow Massage Corporation in 1997. President Song admitted early on that while she had originally started the massage chain for business reasons, in the last four years she had "been convicted by God" to use her business as an opportunity to share the gospel "and advance God's kingdom" in her work.

Similarly to President Lin, President Song emphasized that the main motive of Christian businesspeople is not to make profit, but to share the gospel with those she works with, primarily her employees. She also stressed the importance of establishing credibility and business integrity: "Do you exaggerate? Be a person who keeps your word." In relation to this principle, she quoted a Bible verse from Matthew 5:37a which says, "Simply let your 'Yes' be 'Yes,' and your 'No,' 'No.'" In order to establish credibility in business, "One must show honesty in their words and actions," she said.

When I further asked how her Christian faith influenced the way she ran business and the primary differences she saw between Christian and non-Christian businesspeople, she told me that one of the most positive impacts in Christian thinking was in its understanding of qi yue jin shen, or "spirit of contracts." Song explained:

The "spirit of contracts" is nonexistent in Chinese culture, while in Western culture it seems to be taken for granted. With the influence of Confucian thought in China, there is no prominent concept of keeping contracts, but in the Christian faith, we have a contract with God. The Word of God promises this—that the blood of Christ binds us in contract to God and acts as His "stamp" on us. This kind of perspective of keeping contracts is inherent in Christianity and is very different from Confucian thinking. When I conduct business with others, it means that I have to keep my word, or my "contract" with that person. This is very different from Confucian thinking, which emphasizes the authority of the emperor. The emperor's word is law, and if he happens to be displeased with you,
you are dead. So if the emperor decides to “break a contract” or change his mind, he can do so without repercussion. Essentially, this mindset in Confucian/Chinese thinking boils down to: whoever is emperor, or whoever has power, decides what is law and whether or not they want to keep the contract.

Her sharing here parallels the authoritarian, hierarchical structure of relationships as well as the idea of “might is right” in Confucianism. As to whether or not Confucian thought influenced her business practices, President Song admitted that oftentimes, “I find myself consciously ridding myself of Confucian influence in my thinking. Since we grew up with the influence of Confucianism in Chinese culture, there is a societal pressure that exists.” But with a Christian mindset, “I am able to overcome Confucian influences in my thinking. For example, with a Confucian mindset, the Junzi (gentleman/nobleman) is the highest ranking in society, and the laborer is the lowest. So with this type of thinking, I would view my employees (the laborers/masseuse) as lower than me, but in Christianity, this type of thinking is wrong. These people are equal to me, and are in equal in God’s sight. Furthermore, I would actually elevate them, because they are oppressed, so I would take whatever chance I have to help them. For instance, when they are sick, or have special family circumstances, I would provide extra stipends, salary, or bonus to help them out.” In regards to a question on discrimination against migrant workers and how they are viewed or treated, she mentioned, “This depends on the maturity of the Christian in question, but if the person is mature, we certainly would not view these people negatively or as lesser than us, but rather as people we can share the gospel with and introduce to God.”

(Although she did not share this with me personally in her interview, from further research I found that her massage chain business is one of the few that employs blind
masseuses. Discrimination against disabilities of any kind is quite common in East Asia, and it is often difficult for disabled workers to find employment in most places.)

In relation to the point she made earlier about not seeking profit first, President Song stated that it is easy for non-Christian businesspeople and even Christian businesspeople in general to be very profit-driven, but for Christian entrepreneurs, the main motive is to “serve and glorify God” in all aspects of their work. “Christianity is a very enthusiastic religion so to speak,” she said, “so it permeates Christians’ daily lives, including business and work-life and how they conduct business.” She also mentioned that while Christians might not necessarily make the most profit, their business ethics and principles will have more integrity than the majority of non-Christian businesspeople in China. “It is easy for non-Christian businesspeople to seek their own interests first because of a natural lack of a fear of God,” she said, “but from a Christian point of view, if one is doing something wrong or doing something unethical in a business situation, God will give the person a strong sense of uneasiness or lack of peace.”

In regards to the conflicts between faith and business, President Song thanks God “for His protection to me in my business.” So far, she has not experienced any huge difficulties or inconveniences in her business due to her faith. This is not to say that she has not met with challenges in business.

When business is bad, or employees are leaving, I pray often. I ask the Lord for wisdom, patience, and God gives me all of these. Sometimes He provides me a way out immediately—for example, when I couldn’t find a house for rent, and after prayer, God provided one immediately. Other times, God gives me patience to wait, and helps me understand the limits of money’s power. After you deal with money in business, you find that money is not reliable, only God is reliable. An example of this is when you are dealing with employees, and oftentimes the amount you can offer for salary is limited, since other work places will offer a

122 See the business website for more information: http://shanghai.unlike.net/locations/301723-Double-Rainbow-Massage-House
similar amount. But if you show the employees that you care about them and respect them as individuals, they will be willing to stay at your company rather than leave for another company.

Yahweh Plastics Co.: President Lee & President Chang

President Li started a plastics company in 1999 with eight other business partners. While both she and her company have been quite successful, President Li was extremely modest and down-to-earth regarding her work with the plastics company. When I asked her what was different about the way she conducted her business because of her faith, she mentioned that it was primarily through building trust that their company was able to get off the ground. “Diligence and honesty were crucial,” she said, “it was very important for us to keep our word in order for us to build that kind of trust with customers and business partners.” Like the other company presidents, Li also emphasized that making profit was not the main motive. “When we realize something in the production process is not quite right, we will stop and change the production process, even if it brings us a loss.”

Li admitted that the competition in the plastics business can be tough, and it has been a temptation for their company to value profit first over quality and integrity in their business. “Other companies have added water to their plastic to make the production process easier and cheaper. In the short term, they have been able to make more profit, but in the long-term, customers still found our plastics products to be better and more reliable. So even if in the short-term we suffered losses in profits compared to companies who took short-cuts, in the long run, people know that our products are better than the companies who made short-term gains. From that experience, even though it was
tempting for us to take short-cuts as well, we saw that short-term gains do not profit in the long-run.” Li firmly believes that “if we do not follow God’s principles, we will experience God’s punishment.” When I asked her for an example, she shared that at one point, she and her partners had deliberately taken a short-cut in the development of their plastics business and immediately lost a large shipping order. “After reflection, I saw this was clearly God’s punishment on us for taking an unethical short-cut,” she said, “following that experience, we have been very careful to not take any more shortcuts.”

In regards to the influence of Confucian values on their business, Li pointed out that there are both positive and negative values that fall under Confucianism. “For positive values that are consistent with the Bible, we will most likely follow those too,” she said, “but for principles or values that are inconsistent with God’s principles from the Bible, we will definitely not follow those.” Li stated that the primary difficulty for most people is actually “following through on these principles and values and living up to them. While we might believe something, people without a belief in or having a fear of God will find it harder to obey these good principles, whether Confucian or Christian.”

President Chang, like President Li, is another Wenzhou entrepreneur “boss Christian,” who currently resides in Shanghai after expanding his electronic home goods business to outside of Wenzhou. When discussing the influence of Confucian and Christian thought on his business practices, he pointed out that the post-Mao reform era (gai ge kai fang) did not emphasize Confucian thinking yet, as socialist thought was still most influential overall. In spite of this, he said his personal Christian faith was most influential in his business practices. He emphasized three points: honesty (cheng shi), love (ai), and faith (xin xing).
It is important for us as Christian entrepreneurs to be honest with all of our customers and business partners; through that, they are able to build a foundation of trust with us and do long-term business. Love is important as well, because it goes hand in hand with honesty. With love for our neighbors and honesty, there is no evil (gui za).

In regards to faith, President Chang said, “Our faith in God allows us to rely on Him rather than ourselves in different situations we face.” He then gave an example, contrasting the difference between doing business with Christian and non-Christian businessmen. “When I am doing business with another Christian businessman, I know I can trust him—particularly after we have prayed over the matter together and discussed things over. Because both parties have integrity, we can finish a business deal in a few hours.” In contrast, with a non-Christian businessman, the process is much more complicated. “It can take up to two months to get a business deal done with a non-Christian businessperson, primarily due to the fact that I do not know if I can trust him. Because of this lack of trust, I have to go through lengthy investigations and other complicated processes to do background checks.”

Similar to the other boss Christians mentioned in this chapter so far, President Chang regards his prayer and devotional (Bible-reading) life as very influential in his business decisions and day to day living. He quoted a favorite verse of Wenzhou entrepreneurs from the New Testament: “If a man will not work, he shall not eat.” Like President Lin, he believes in inviting factory workers to church during their working hours with full pay; he will “pay laborers to sit and listen to the gospel; they can choose to work or not.” Because of his and many other boss Christians who do this, he shared that in some cases, “over 90 percent of their factory workers accepted the Christian faith by the end of the year.”
Wenzhou Government Official: Party Secretary Fan

Before I interviewed former Party Secretary Fan from one of the Wenzhou districts, I was instructed to address her as Fan da jie (older sister), because of her highly respected status in both the public and among the Christian community. In her youth, she was sent to one of the coldest, harshest regions near the Russian border for peasant reeducation. Later on, she served as Party Secretary for one of the districts in Wenzhou and is now currently the president of a shoe conglomerate group in Wenzhou, which oversees 1,579 different shoe businesses. The professor who introduced me to her informed me that she is a highly successful government official and businesswoman and is highly respected in both Wenzhou and outside of Wenzhou. She has met with upper-level government officials such as Hu Jintao and many others in the central state government.

Due to her status as a former government official, the interview I conducted with her differed in some aspects compared to the others. During the interview, I asked if she thought her faith conflicted with her duties and responsibilities as a party member and government official. She told me, "No, even as a Christian, I love both country and God." She added that even Lee Ruihuang, former Chairman of the National Committee of the CPPCC had said before, "Faith (xin yang) is good for the people." From her perspective, the influence of Christianity on society is very positive, because it helps "stabilize society." She gave examples of how "conflicts in business are easily resolved" due to Christian faith. For example, one Boss Christian she knew personally had a business
partner who ran away from debt and caused a lot of trouble for this Christian entrepreneur. Instead of hating this man or seeking retribution for his losses, this Christian entrepreneur forgave him and did not ask for his money back when the guilty partner returned. “Today this Boss Christian is very successful,” she told me.

While serving as Party Secretary, Fan said that she “never openly proclaimed her faith,” even though without her stating it, others around her knew of her Christian faith. “Due to this,” she said, “I had to be very careful with my actions and words in public. People knew I was a Christian too because my father had been a pastor in Wenzhou.” Throughout her tenure as Party Secretary, Fan was held in high regard. Unlike various government officials, she had a spotless reputation and was known for never using her power in office for public corruption or for personal gain. Due to her clean reputation, she later became a highly successful businesswoman. “People said that investing their money with me was as safe as putting it in a bank.” Fan emphasized the importance of serving others, both in her time in office and in business. “Zuo-ren (way of treating others) principles are very important too. The way we treat our workers and employees, whether we are honest and trustworthy, donating to and helping with charities and humanitarian causes—these are all very important principles based on God’s Word.”

When asked whether Confucian principles influenced her way of conducting business, she described that while this may not influence Christians very much, it does have a lot of influence on non-Christian businessmen. When I asked her why corruption is still so common among businesses in China, she answered, “While many parts of Confucian thought stresses good ethics and principles too, without belief in God, and a subsequent fear of God, there is no accountability for their actions and behavior, so many
are not able to follow through on the principles of Confucianism.” When I asked her what
the government thought about Christianity and its role in society, she told me that in her
view as a former government official and among her colleagues, it is “definitely viewed
as a positive social force—and can help contribute to the stability and economic
prosperity of China.”
Conclusion

The personal testimonies of these Christian entrepreneurs mirror much of what Max Weber had theorized long ago on the intersections between Protestant ethics and capitalism. For many Wenzhou Boss Christians, their main motive and calling in life is not to “get rich” as fast as possible, but to glorify God in their work. To them, profit is not the end all, but rather a byproduct of hard work, as well as evidence of “God’s blessing” in their work.

This thesis does not argue that wealth or economic development go hand in hand with Christianity or the Protestant ethic. Rather, through the examples of these Wenzhou Christian entrepreneurs interviewed here and many others, we see a consistent trend of hard work, integrity of character, and a desire to do good for society—all for the sake of “glorifying God” and “showing their love for God.” Whether it is in their interactions with other business partners or with their subordinates and employees, the Confucian spirit of ren (benevolence) as well as the Protestant command to “love thy neighbor” is evident. In challenging situations where they are tempted to compromise their values, they turn to God in prayer and seek guidance. If they make an unethical decision, they openly admit to suffering the consequences and submitting to “God’s punishment.”

Due to their “personal relationships with God” and their deep desire to please God, “Boss Christians” have a stronger incentive to live up to higher moral standards than the average non-Christian Chinese entrepreneur. While Confucian values may overlap with Christian values, there is ultimately no higher authority which holds the individual accountable for their actions. Confucianism emphasizes a morality centered on the family
(a show of filial piety), and in theory, ren (benevolence) should overflow from within the family unit to outside of the family. Yet for most contemporary Chinese, the Confucian values that have been popularly adopted more often emphasize authoritarian, hierarchical relationships—whether it is father-son, superior-subordinate, or emperor-subject. As mentioned previously, Confucian concepts of ren-yi-li (benevolence, rightness, and ritual) as well as the ideal model embodied in Junzi mirror many Christian principles—and yet, the application of these principles has been “spotty,” not unlike the Central Party’s 1,200 rules and regulations against corruption.

In the present situation, China’s legal system is not yet at the point in which they can effectively implement all the laws and rules against corruption. Bribery of judges and corruption in the legal system is so commonplace that the legal system has essentially been reduced to a joke. In order to have a functioning legal system, there must be a common understanding and acknowledgement of some set of moral standards in society.

Fortunately for China, “there is already recognition that integrity is the cornerstone of the market economy,” says government economist Zhao Xiao, “but establishing a good cornerstone is no simple matter.”123 Can Protestant Christian ethics be one step towards establishing a good cornerstone? In the absence of Confucian self-regulation and a functioning legal system in China, I believe the answer is yes.

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