When a government imposes its own religion or ideology and suppresses its competitors, to what extent can it succeed? Throughout human history, many regimes have sought to establish a state religion and eradicate their competitors. In the recent past, the Soviet-bloc governments tried to impose the Communist ideology on the people and suppress all religions. China went even further, experimenting with a ban on all religions for over a decade. Despite their best efforts, religion survived. The government has also failed to keep religion at a reduced level during the reform era. This article attempts to explain the failures of suppression from a political economy perspective.

Religion can be studied as a subsystem of society similar to the economic subsystem. Like the material economy, the religious economy is driven by the interactions of demand, supply, and regulation. This economic approach has shed light on the dynamics of religious change in American and European societies. It has been applied to explain the religious situation in China as well. In the

existing literature on the economic approach to the study of religion, the supply-side theory⁴ has been dominant, so much so that many people mistakenly equate the economic approach to the supply-side model.⁵ The supply-side theorists assume that religious demand in a society is relatively stable and religious change is largely driven by supply-side shifts, including new religious “firms” (religious groups) entering the market or moving in or out of particular market niches.⁶ However, in the “supply-side explanations,” the stability of religious demand is assumed, not proven. This assumption may be needed in order to focus on the examination of the supply-side dynamics. However, it is a mistake to take the assumption as a fact in all economies. Some scholars employing the economic approach have already pointed to the need to take “both demand and supply factors into account” to understand changes in religious market structures.⁷

**Sociology of Religion** 63, no. 4 (2002): 427–54, as almost all of the empirical studies applying the economic model had been limited to the Americas and Europe, where some form of Christianity predominates. Yang’s article received the 2006 Distinguished Article Award from the American Sociological Association section of the Sociology of Religion.


5. Worse, some people even equate the supply-side theory as synonymous to the “new paradigm” of the sociology of religion, even though R. Stephen Warner, who first delineated the emerging new paradigm, in his “Work in progress toward a new paradigm for the sociological study of religion in the United States,” *American Journal of Sociology* 98 (1993): 1044–93, and several other scholars have insisted that the new paradigm has a broader scope, including various approaches and theories; see *Sacred Markets, Sacred Canopies: Essays on Religious Markets and Religious Pluralism*, ed. Ted G. Jelen (Lanham: Roman & Littlefield Publishers, 2002).


The stable demand assumption becomes simply implausible when examining religious change in China. When the religious supply was banned during the radical Cultural Revolution in the 1960s and 1970s, the active demand for religion was effectively reduced, albeit never reduced to zero, despite severe penalties to the dogged believers. Arguably, it was the persistent demand that eventually forced the Communist authorities to abandon the impossible mission to eradicate religion in the foreseeable future. Having adopted a relatively more pragmatic policy toward religion in 1979, the Communist authorities have nevertheless wished to contain religion and maintain a reduced level of religious participation in the population. The reform-era regulations have tried to restrict religious supply. However, the demand for religion appears to be continuously rising, surpassing the quotas of supply set by the central and local governments, and rendering the regulations ineffective in many areas, as shown in the emergence of the black and gray markets of religion. The Chinese case makes it necessary to examine the demand side changes rather than averring its stability. To explain the interactions between demand and supply under heavy regulation, it becomes necessary to seek additional theoretical constructs.

The Political Nature and Scope of Religious Economies

It is fair to recognize that the focal attention to the supply side of the religious economy in the existing literature is not inadvertent. These researchers have primarily focused on the religious market of the United States, which has been a saturated market wherein all demand niches have been very much occupied by numerous religious firms. In such a chronic buyers’ market, market change is commonly due to change on the supply side. If a religious firm shifts its religious goods for different niches, this may determine its growth or decline because of the varied sizes of market niches in a plausible bell-curved normal distribution in a deregulated economy.

But there exists another kind of market, the chronic sellers’ market, wherein demand always exceeds supply. Indeed, shortage of supply is chronic and systemic in the “socialist system” under Communist rule, which is characterized by shortage in consumer goods, long lines in shops, long delays in services, and shortages throughout the production process. “The shortage phenomena under the classical socialist system are general, frequent, intensive, and chronic; the system is a shortage economy.”10 Many of János Kornai’s insights on the material economy in the “socialist countries,” especially those concerning consumer behaviors, can be extended to the religious economy under Communist rule. The Chinese religious economy remains “socialist” in nature, even though the Chinese material economic system has successfully transitioned from central-planning to a market economy11 and entered the “post-shortage period” by the end of the 1990s.12

In adopting some concepts from János Kornai’s economics of shortage, some caveats are necessary. First, unlike the material economy, which the Communists want to grow, the atheist ideology drives the Communist regimes to restrict religious supply, suppress religious demand, and eradicate religion when it is perceived possible. Therefore, not all the concepts and theorizing of Kornai’s economics of shortage may be applied to the analysis of religious phenomena in Communist-ruled societies. Second, it is not my intention, implicitly or explicitly, to equate the religious economy with the material economy. Reductionism should be rejected and avoided, as religion is a complex social, psychological, and spiritual institution. The religious economy approach concerns only the process of exchange, not the nature of the religious “products” and “services,” which the believers may hold holy, sacred, away from economic interest in the daily use of the term.

 Unlike most of the religious economy studies in the existing literature, this article adopts a political economy approach. First, the Communists regard the ideology of Communism as a competitive alternative to religious beliefs, and vice versa. They have deliberately tried to replace conventional religion with the secular,

11. Although the CCP-ruled Chinese authorities have insisted on calling it a “socialist market economy,” while the meaning of “socialist” is debatable, since 2004 the Chinese government has repeatedly appealed to American and European countries in the World Trade Organization to recognize China’s economy as a full market economy.
12. Wei Lü, “jin ru ‘hou duan quan shiqi’ de zhongguo jingji” (Chinese Economy Entered the ‘Post-Shortage Period,’” Cai jing wenti yanjiu (Research on Financial and Economic Issues), (Beijing, 2001), no. 3.
atheist belief system of Communism. Actually, the religious subsystem in any society must compete with secularisms. Therefore, the religious economy should consider the factor of secularism, just as theologians would take the challenge of secularism seriously. Second, determined to stay in power, the Chinese Communist authorities are keen to suppress any social group that might become a rival or threat to its holding of power, be it religious or not. Faith-based organizations are perceived as one of the most serious threats to the Communist Party. For instance, the Chinese Communist authorities regularly reiterate their fear of the Catholic Church as a serious threat, even though Catholics comprise less than 1 percent of the population by anyone's estimate. They have become paranoid by the roles the Catholic Church played in the collapse of Communism in Poland. As Christopher Marsh has shown, CCP religion policy is the policy area where the impact of the collapse of Communism in Eastern Europe is most clear, with many internal policies and official reports stating explicitly that China must “manage correctly religious affairs if it is to avoid” a Soviet-style collapse. He quotes SARA director Ye Xiaomen as arguing that “religion became a weapon in the hands of the dissidents for inciting the masses and creating political disturbances.”

Also, to examine the full economy of religion, it is necessary to include alternatives to institutionalized religion. Existing studies debating supply-side theories have almost exclusively focused on one type of religiosity—religious participation in formal

13. During my visits in China, I have had many conversations with government officials in various offices. They commonly shared the belief that the United States conspired with the Vatican to have a Polish-born pope, instigate the Solidarity Movement, and eventually overthrow Communist rule, and they used this belief to justify the harsh measures against the Catholic Church and other religious sects. Meanwhile, they also hold similar serious fears of sectarian groups like the historical White Lotus Sect. See Susan Naquin, *Millenarian Rebellion in China* (New Haven: Yale University Press, 1977); and Elizabeth J. Perry, *Challenging the Mandate of Heaven: Social Protest and State Power in China* (Armonk, NY: M. E. Sharpe, 2002).


religious organizations in the form of membership and attendance. This is in part due to the fact that the religious supplies in North America and Europe are mostly provided by institutionalized religious organizations rather than by individual suppliers, and in part due to these scholars’ concern for quantification for mathematical modeling with neat measures, as membership and attendance can be measured neatly. But the reality is more complex. Other types of spiritual practices, such as “popular religion” or “folk religion,” exist in all societies, even though existing data may not provide good, quantifiable measures of these practices. These noninstitutionalized spiritualities play important roles in heavily regulated religious economies.16

Demand Dynamics in a Shortage Economy

In a shortage economy, shortages of supplies shape consumer behaviors in crucial ways. “Those living in a shortage economy experience day by day that the buyer is at the mercy of the seller.”17 Besides frustration, individuals adapt in different ways.18 “Shortages cause loss and inconvenience to consumers. They often have to wait for supply, to queue up, and frequently, are forced to be content with goods different from their original wish.”19 Following Kornai, let us take for example a woman preparing to buy beef. “Unless lucky, her shopping is not a single action but a process, a sequence of decisions” with multiple stages of action.20 When the desired good is available, the consumer’s behavior is self-evident, buying it, or queuing in line to buy it. If the desired good is not available in sight, she may embark on a trip, or trips, to search for it. Searching would end if she later finds the intended goods. But she may also choose one of the other two alternatives to searching: substituting, such as pork instead of beef, or simply giving up the intent to buy: suppressing the desire. If the desired good is a kind of staple food, however, as time goes

17. Kornai, The Socialist System, 245. People who lived in pre-reform China or other socialist countries can attest that buying goods was a process full of frustration and ordeal. Popular humors held that the most frequently used expression by sales clerks was “mei you” (don’t have it) and that people often rushed to get into long waiting lines before knowing what was available at the front of the line.
18. Why individuals differ in response to shortage of supply, or differ in religious preference, is a very interesting question, but that question is beyond the scope of this essay.
by, substituting and suppressing may not be maintainable. She may revert to searching or buying if the previously desired good becomes available again.

Applying these concepts of consumer behaviors in Kornai’s economics of shortage to the religious economy in China under Communist rule, we expect to see people queuing up, searching, suppressing demand, and experimenting with substitutes for religion (see figure 1).

János Kornai stops short of elaborating further on the consumer behaviors on the macro level, and he turns his primary attention to the producers, especially on the “soft-budget constraints” in a shortage economy. While examining the supply side in a shortage economy of religion is certainly important to do, this article will focus on the demand-side dynamics. A major reason is, in an economy where demand chronically exceeds supply, the demand-side change is a primary driver in the interactions of demand and supply under regulation. Empirically, as will be shown below, it was the persistent demand for religion that forced the Communists to abandon the ideology-driven eradication measures. Further, once religion was granted limited tolerance in the reform era, the demand for religion has been continuously increasing and surpassing the regulated supply. The continual “excessive demand” for religion seems to have caught the central-planners and regulators off-guard. After all, there was no theory to predict this, neither the ideological orthodoxy of Marxism-Leninism nor the other
secularization theories with which the Chinese Communist elites were familiar.

Religious regulations remain strict in reform-era China. However, the strict regulations have not achieved their goals of reducing religion and containing it at a low level. Instead, it has resulted in the triple markets, in which many religious activities operate in the underground or legally ambiguous areas. While the triple-market model describes the complex tripartite economy, this article articulates the shortage economy dynamics that underpins the triple-market complexity.

**Eradication Failed**

The ban on religion took effect in 1966 during the zenith of the Cultural Revolution, when all religious sites were closed down, many temples and churches torn down, religious scriptures burned, statues of gods and religious artifacts smashed, and believers forced to make public renunciations or sent to prisons or laogai (reeducation through labor) camps. Ironically, the eradication measures created martyrs or living heroes who inspired other believers. Some staunch believers survived in and out of prisons and labor camps. Some Christian groups managed to hold religious gatherings in secrecy at home or in the wilderness. At the Buddhist Shaolin Temple, over a dozen monks refused to return to their original villages during the Cultural Revolution. They stayed at the temple and became farmers in the "People's Commune" (gongshe), but secretly kept practicing their beliefs. Eradication measures, despite their intensity, failed to eliminate religious believers and practitioners.

22. Among the tens of thousands of intractable believers, the most well-known include the Catholic Bishop Gong Pinmei (Kung Pingmei, 1901–2000) in Shanghai, who was jailed between 1955 and 1985 before being exiled to the United States; Protestant minister Wang Mingdao (1900–1991) in Beijing, who was jailed between 1955 and 1979; Watchman Nee (1903–1972), the founder of the Little Flock Christian sect, who was jailed in 1952 and died in prison in 1972; Yuan Xiangchen (1914–2005) in Beijing, who was jailed between 1957 and 1979; Lin Xianggao (Samuel Lamb; 1924–) in Guangzhou, who was jailed between 1955 and 1978. Lamb and Yuan have become the most renowned Protestant house-church leaders. See David Aikman, *Jesus in Beijing: How Christianity Is Transforming China and Changing the Global Balance of Power* (Washington, DC: Regnery Publishing, Inc., 2003).
As it became apparent that religion could not be wiped out of people’s minds and hearts in the near future, when the more pragmatic leadership under Deng Xiaoping took over the Chinese Communist Party (CCP) from the radicals in the late 1970s, they changed course. To rally the nation for economic reform and development, the CCP authorities conceded to the religious demand, albeit with firm reservations. Beginning in 1979, a limited number of temples, mosques, and churches were reopened for religious activities. In 1982, the CCP issued Document no. 19, titled “The Basic Viewpoint and Policy on the Religious Affairs during the Socialist Period of Our Country,” which restated the limited tolerance to five religions and set the basis for the current religious policy. Nevertheless, Document no. 19 expressed consolation for having reduced the proportion of religious believers in the population.

**Demand Suppressed**

Indeed, the failure of eradication is only in the sense that persevering believers survived the harshest eradication campaigns. However, although religious demand was never reduced to zero, the active demand for religion in China was effectively reduced to a miniscule level.

While religious demand is difficult to measure, a proxy is the expressed interest in and practice of religion. In comparison with other societies, the proportion of people who admit to having religious beliefs and practices remains extremely low in China. According to the World Values Surveys (WVS), the overall level of religiosity in the People’s Republic of China (PRC) is the lowest among all the countries included in the surveys (see table 1). In the 2000 wave of the survey that included China for the first time, only 13.7 percent of the Chinese in the sample (N = 1000) claimed to be religious, and only 6.0 percent belonged to a religion, the lowest among the sixty-seven countries in the survey. Of the sixty-seven countries, the averages were 77.7 and 67.0, respectively. Meanwhile, 88.9 percent of the Chinese reported that they never or practically never attended religious services, whereas the average was 22.7 percent; and 24.0 percent of the Chinese claimed to be convinced atheists, while the average was 4.2 percent.

Some people might suggest that the Chinese have always been a nonreligious people, but such speculative claim is contrary to empirical observations.26 Other people may question the validity.

26. Indeed, the received wisdom has been that the Chinese as a whole have never been religious. Hu Shih, one of the most influential Chinese intellectuals in the twentieth century, states, “China is a country without religion and the Chinese are a people who are not bound by religious superstitions” (quoted in C. K. Yang, Religion in Chinese Society (Berkeley: University of California Press, 1974)).
of the WVS. An obvious concern would be language barriers or translation problems in such cross-national surveys. Were the questions accurately translated into Chinese? Are the religious terms translatable at all without distorting or twisting the meaning? These could be real problems, but would not support the speculative claim that the Chinese have always been less religious. In the 1995 wave of the survey, WVS included Taiwan, a Chinese society that shares much in terms of language and culture with mainland China. Using the same set of questions, people in Taiwan reported much higher religiosity, closer to the averages in the whole survey (see the right column in table 1). Therefore, the huge difference between mainland China and Taiwan cannot be explained away merely by impugning methodological problems. The empirical findings of religiosity in Taiwan should also put the cultural difference argument to rest. The differences are not so much cultural, but political.

Of course, it is possible that some PRC respondents were not willing to admit their real views on religion, especially when religion is politically suppressed and socially discouraged. If this is the case, it further indicates the importance of social and political factors in suppressing active demand for religion.

One other possibility for the low religiosity in the sample is that the Chinese sample was not representative of the population. Unfortunately, we do not have additional information about the sampling. On the other hand, however, observers and researchers have noticed that a majority of Chinese immigrants and international students in the United States show indifference to religion, even though a substantial proportion, perhaps up to one-third, has converted to Christianity.27

1961), 5. Many Chinese scholars and Western Sinologists share this view (see C. K. Yang, ibid.; also see, e.g., Hans Kung and Julia Ching, Christianity and Chinese Religions (New York: Doubleday, 1989). However, this is a problem of armchair philosophers and theologians who read texts instead of observing people. For anthropologists and sociologists who have been there and done that, they report a totally different reality. “There was not one corner in the vast land of China [before 1949] where one did not find temples, shrines, altars, and other places of worship … [which] were a visible indication of the strong and pervasive influence of religion in Chinese society” (C. K. Yang, Religion in Chinese Society, 6).

27. No survey data are available yet to quantify this. However, this impression results from my many years of fieldwork research, and is shared by other scholars of Chinese immigrants and students in the United States. Yang and Tamney, eds., Conversion to Christianity among the Chinese.
Forced Substitution

In place of religion, the CCP has tried to indoctrinate people with Communist beliefs, a common practice in Marxist-Leninist states.28 “Within Marxist movements, and under Marxist-Leninist regimes, then, many devoted party activists and some average citizens accepted Marxian teachings as if they were a religious body of sacred precepts. Marxism, as a code of personal and group practices, satisfied emotional needs, provided transcendental guidance, and defined ethical ends.”29 Some scholars have studied Communism as a sort of religion, such as a civil religion30 or a political religion.31 However, labeling Communism as a religion is controversial at best.32 As staunch atheists, the Communists themselves insist on the irreligious or antireligious nature of the Communist ideology. As such, it is more appropriate to call Communism what it wants to be—a substitute for religion, or a pseudo-religion in the broad religious economy.

The CCP insistently propagates Communism as the “loftiest ideal and noblest belief” (zui chonggao de lixiang he xinyang). The Communist ideological system includes beliefs in an ideal future—the Communist Society, which is, in religious terms, like a paradise on earth, a society where no exploitation or inequality exists; the principle of production and distribution will be “from each according to his ability, to each according to his need.” In order to advance into the Communist Society, revolutionary and progressive people need to offer unrelenting service to the people and the Communist Party and struggle against class enemies, counterrevolutionary and reactionary elements in society.

The organizational pillar upholding the Communist ideology lies in the organization of the CCP. In addition, the Chinese Communist Youth League (CCYL) for young people aged 14–28 is a preparatory organization for the CCP. The Chinese Young Pioneers (shao xian dui, CYP) for elementary and middle school children is designed

30. Ibid., 114; emphasis in original.
“to prepare the Communist successors (jie ban ren).” The CCP and CCYL are selective, open only to people who, in principle, have demonstrated their commitment to the Communist endeavor. The CCP and CCYL require open denunciation of any belief in gods, spirits, or ghosts. The membership criteria of the CYP are less stringent, so that a majority of students may join. Nonetheless, it is required to take a Communist vow to become a member.33 The CCP and CCYL committees and branches are instituted in all grassroots work units, residential districts, villages, high schools, and universities, and the CYP in all elementary and middle schools. The grassroots Party and League branches are responsible for organizing periodical study meetings for all members. Members are required to pay monthly membership dues to the Party or League and participate in organized activities (guo zuzhi shenghuo). By the end of 2003, there were 68,232,000 CCP members and 3,341,000 grassroots branches, 71,070,000 CCYL members and 2,983,000 grassroots branches, and over 130,000,000 CYP members in 15,530,000 brigades.34 Together, the CCP, CCYL, and CYP members of 269,302,000 comprise about 20.7 percent of the total population, more than any organized religion in China today.

Are the atheistic communist campaigns effective? Many people express their doubts, especially in light of the apparent disenchantment with Communist ideology during the reform era. However, in the WVS of 2000, one out of four Chinese respondents claimed to be “convinced atheists” (see table 1), the highest proportion among all the countries included in the survey. The level of effectiveness of the atheist propaganda may exceed many people’s impression and take some sobriety to sink in. In sociology, socialization is one of the fundamental concepts, which denotes that what is taught in the formative years of youth often, consciously or unconsciously, remains over the rest of one’s life for many people. Some evidence shows that at least some Party and League members and aspirants appear to be genuinely inspired by Communist idealism. In a 1994 survey of young people in Shanghai conducted by the CCYL Shanghai Committee, nearly half of the respondents claimed that the purpose of joining the political organization, i.e., the CCP or CCYL, was “for pursuing the ideal and the belief” (wei le lixiang he xinyang), i.e., the Communist ideal and belief (see table 2).

Of course, the validity of this survey may be limited. The survey was conducted by the CCYL Shanghai Committee, and most of the

33. The formal vow for becoming a CYP member is: “I am determined to follow the teachings of the Chinese Communist Party, study hard, work hard, labor hard, and be prepared to sacrifice all for the Communist endeavor!” See CYP HomePage online at: http://cyc6.cycnet.com:8090/ccylimis/cypo/index.jsp.
respondents were “progressive young people” within its reach—83 percent of the respondents were either CCP members or CCYL members. The rest, I suspect, were aspirants to join CCP or CCYL. It is difficult to know how many respondents gave politically correct answers under the circumstances. However, based on my interviews and personal recollections, I tend to believe that at least some of the CCP and CCYL members are earnest believers in Communist idealism at some point.

At any rate, for those CCP and CCYL members and aspirants who are more or less sincere, Communism is a substitute for religion. Of course, it is probably a forced substitute for most of the people, as the alternatives were made inaccessible. According to János Kornai,

> Forced substitution plays a major part in understanding the shortage syndrome. It should be distinguished from voluntary substitution. If a customer has hitherto chosen the first of two products, A and B, which are close substitutes for each other and both readily available on the supply side, and then changes to the other (substitutes B for A) because her tastes or the two products’ relative prices have altered, the substitution can be considered voluntary. But if she buys B because A is unavailable, the substitution is forced.35

In other words, “forced substitution” does not imply complete coercion. People always have choices, especially in the spiritual sphere. Communism is a forced substitute as religious alternatives are made unavailable.

Most Chinese people born in the PRC, especially those born before the 1980s, grew up without exposure to religion. Since 1979, although some religious groups have been allowed to exist, there have been too few of them for most people to encounter in daily life. During my field research in several cities in China, several times I asked for directions to a nearby church or temple, but people simply had no clue that there was a church or temple in that neighborhood, even though the church or temple was only a hundred meters away from where we were standing. Even if some people came into contact with religious believers, the accepted atheist ideology, antireligious discourses, and the lack of religious knowledge usually impeded their communication with the believers and hindered their understanding of religious symbols, beliefs, and practices. Many people habitually despise religious clergy. For the good intentioned ones, they may not know how to address a clergy person.

**Alternative Substitutes**

Not all substitutes are the same. Instead of the forced substitute, individuals may seek alternative substitutes. According to Kornai,

> The customer abandons her original purchasing intention and instead buys something else that is more or less a substitute for it. It may be a close substitute, for instance, another kind of meat instead of beef, or a remoter substitute, some kind of deep frozen or canned meat, or it may be drawn from an even remoter sphere of substitutes: any kind of food stuff at all.\(^{36}\)

Moreover, besides settling for the forced substitute offered in the official market, some consumers may find unusual alternatives that are somewhat more proximate to the desired good. For instance, when beef and other types of standard meat are not available at the shops, instead of settling for a vegetarian diet, the woman shopper mentioned earlier might choose to hunt for game animals or exotic insects for food herself. This kind of substitution may involve some unusual acts beyond the market scope, but life sometimes drives people to hunt and gather instead of shopping at the market. Such alternative substitutes can be more satisfactory than total abstention.

This applies to the spiritual life as well. While some people have settled for Communism, other people find that neither orthodox Communism nor irreligious materialism satisfies their spiritual needs. Many people thus have sought and experimented with

\(^{36}\) Ibid., 230.
spiritual alternatives that more closely proximate religion. Since these spiritual alternatives may be practiced without a religious label, form, or organization, they do not incur the same costs as practicing institutionalized religion under restriction.

During the Cultural Revolution, the major form of alternative spirituality was the personality cult of Chairman Mao.

Communist Party Chairman Mao Zedong was glorified as “the great savior of the people” (renmin de da jiuxing) and “the Red Sun” (hong taiyang). People danced and sang to Mao’s statue, and confessed sins and made vows before Mao’s portrait. The “Little Red Book” of Mao’s words was revered. Studying Mao’s quotes was institutionalized into the daily schedule of government officials, school students, factory workers, and village farmers. Even mathematics and science lessons in all textbooks began with the words of Chairman Mao.

The zest for Communism was surreptitiously replaced by the Mao personality cult. This may seem ironic, but is not difficult to explain in the terms of economics of shortage. Noticeably, the personality cult is a common illness of Communist regimes, for example, Mao in China, Stalin in the Soviet Union, Tito in Yugoslavia, Castro in Cuba, Ho Chi Minh in Vietnam, and Kim Il-sung in North Korea. The forced substitute for religion—atheist Communism—gave way to an alternative substitute that deifies and worships the Communist leader. The individuals who practically worshipped Mao were experiencing feelings that were practically religious.

In reform-era China, there are two major forms of alternative spiritualities that thrive without being labeled religious. One is conducted in the name of carrying on traditional culture (e.g., folk religious practices). Another is carried out in the name of advancing science (e.g., healing cults of qigong). These comprise the main elements in the gray market of religion.

In China, folk religion has been revived in the name of ancestral commemoration, community fairs, regional culture, or folklore preservation. In rural areas, many villages and towns have restored temples dedicated to historical heroes or immortals who have become accepted by the locals as tutelage gods, including Chairman Mao Zedong. They hold dedication ceremonies, temple fairs, or festival celebrations. The construction of such temples is often supported by the whole village. Most villagers and clansmen participate in the celebration of festivals and

37. Zuo, “Political Religion.”
39. Ibid.
fairs related to the temples. As such, the celebrations are regarded as part of the local cultural tradition or folklore rather than religion. Some of the temples and activities are better organized than others, such as the Three-in-One cult (sanyi jiao) in Fujian, but most of them remain in a village without a permanent organizational structure. Similar forms of “communal religion” have been observed by ethnographers in Southeast China, Northwest China, and North China, indicating that, in fact, it has spread throughout the country. CCP policies toward folk religion are ambiguous. Different government agencies at different levels of the government, or even different individual cadres, often have contradictory attitudes and policies. Some of the folk-religious temples have been restored in the name of preserving cultural relic sites. Some new ones have been built in order to attract overseas investment and/or tourism.

Besides community-based folk religion, there are also popular practices performed by individuals, including fortune-telling (suan gua), physiognomy (xiang mian), glyphomancy (ce zi, analyzing the parts of written characters), fengshui, and the like. They have become widespread in the reform era. According to a report in Religions in China, the official magazine published by the State Religious Affairs Bureau (RAB), about five million people made a living through conducting fortune-telling in the mid-1990s. Many cities have a de facto “fortune-telling street” with dozens of fortune-tellers. A recent study by a researcher at the State Administration College has revealed that even a majority of Communist Party and government mid-level officials believe in some form of

these superstitions. These superstitions (mixin) are more magic than religion. Nonetheless, they include supernatural beliefs and to a certain extent may meet people’s needs for the supernatural.

A more widespread form of alternate spiritual practice is qigong. The word qigong means, literally, the power of qi (air or breathing). Simply put, qigong is a form of physical exercise, meditation, and healing. But the qigong phenomenon in reform-era China is extremely complex, and is entangled with traditional Chinese medicine, modern scientism, body politics, and, now, international relations. What is evident now, though, is that most of the qigong groups and practices are a form of quasi-religion, as this word is commonly understood. As briefly summarized in Yang, first, almost all of the large qigong groups offer an explanatory system that employs Buddhist and/or Daoist concepts and theories. Only very few rudimentary qigong practices claim no supernatural element, and are thus not much different from martial arts (wu shu) or general physical exercise (ti cao). Second, most of the qigong masters claim to be heirs of certain ancient Daoist or Buddhist lineages who have been sent by certain mystical masters to “come down from the mountains” (chu shan) and spread the gong. Third, the practices often involve meditating over religious images or cosmic principles, reciting mantras, and/or reading scriptures. Due to political and cultural reasons, qigong masters and practitioners insist that they are not religious, and therefore not subject to religious regulations. However, they are comparable to New Age religions, occult, magic, or “client and audience cults” in the West.

Compared with the forced substitute of Communist atheism that rejects the supernatural, quasi-religious or alternative spiritual practices can be considered more satisfactory as they all include a belief in the supernatural. In the meantime, as institutional religions

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become more accessible, people who have practiced alternative spiritualities find it less difficult than sincere atheists to turn to a conventional religion. Many testimonials of Buddhist converts appeared in Buddhist magazines noting that practicing qigong led them to becoming interested in Buddhism. Venerable Master Jing Hui, the president of Hebei Buddhist Association, said that in China “many people begin to learn Chan (Buddhism) because they first practiced qigong.”52 Several people I have known for a long time have made a series of spiritual transitions, moving from professed Communist atheists to qigong practitioners, to Falun Gong followers, and then baptized into the Christian church. Evidently, practicing folk religion, popular religion, or qigong has eased the way toward joining more conventional religious forms.

**Spiritual Awakening**

Substituting may not last over time, however, and suppressing the active demand is not the same as wiping out the need, which could stay dormant or hidden in privacy. Once religion becomes available again, the dormant may be awakened, and the hidden need for religion may be revealed. This is illustrated in the dotted lines and boxes in figure 1.

In reform-era China, the literature of creative writing first reflected this gradual spiritual awakening. The 1981 novella “When the Sunset Clouds Disappear” (wanxia xiaoshi de shihou) portrayed the protagonist, a Red Guard, as a man who had struggled with notions of science and Marxist dialectic materialism for many years. Fortuitously, he ran into a Buddhist monk on the holy mountain of Taishan, and engaged in a long, enlightening conversation. This novella instantly became politically controversial but popular among the young people because of its departure from the ideological orthodoxy. It also stirred heated debates among readers about science and religion. Religious clergy, once ridiculed and driven out of the public eye, might hold some fascinating, enlightening truths to the questions with which many young people were struggling. This idea itself was subversive, but stimulated truth-seekers to search for religion as well as in other realms. Ten years later, the celebrated novelist Zhang Chengzhi, once a Red Guard himself, published the book The History of A Soul (xinling shi), which features his embrace of his rediscovered Islamic identity. Gao Xingjian, the best known Chinese writer in the West and winner of the 2000 Nobel Prize in Literature, has also written

novels exploring spiritual themes with titles like *The Soul Mountain* and *One Man’s Bible*. His characters were obviously spiritual seekers, but they commonly ended up hopelessly wandering without finding a spiritual home. Indeed, many Chinese intellectuals have explored spiritual issues and sought religious answers, including novelists, poets, artists, and academic scholars. Their publications both reflect upon and contribute to the growing popular interest in religion during the reform era.

A case of the once suppressed need for religion reviving under new circumstances is Mr. Niu Shuguang. I first met the amiable old man in Tianjin in 1984. At that time, he was a retired factory worker who volunteered to teach ancient Greek to graduate students at Nankai University. As we became close, he brought to me stacks of handwritten carbon-copied articles he had accumulated over many years, in which he made self-criticisms for his past beliefs in Christianity, clearly articulated the dialectical materialism of Marxism-Leninism-Maoism, and rebuked all religious beliefs as false consciousness and superstition. Through many conversations I learned that he was once a well-known Protestant minister in the 1940s and 1950s, was imprisoned in the late 1950s for his faith, and later was released and assigned to do manual labor at a factory. In prison and at the factory, he earnestly and scrupulously studied the *Complete Collections of Marx, Engels, Lenin, and Stalin*, and the *Selected Works of Mao Zedong*. He then declared and demonstrated repeatedly in writing that he had become a socialist new man, an atheist. The 1980s was a period of rapid change. When some Protestant churches were reopened in Tianjin, Mr. Niu made some strong remarks criticizing their superstitious ritual practices. His criticism sounded genuine to me. But things changed very fast in those days. Merely two or three years later, he accepted a faculty position at the Yanjing Christian Seminary in Beijing. He also reclaimed a book of the New Testament exposition he authored in the 1940s and early 1950s, which, unbeknownst to him, had been published in Hong Kong without the author’s name. When I visited

him at the seminary in Beijing a few years later, he spoke unapologetically about his recovered Christian faith. Mr. Niu is but one of many believers who once suppressed their religion under the repressive regime. Both his atheism and recovered faith in Christ appear to be sincere.

Seekers Abound

The ideology-driven regulators want to reduce religion, and have repeatedly and alarmingly called attention to “religious fever” since the early 1980s. As predicted in the economics of shortage, the phenomenon of excessive demand for religion will persist. Visiting religious sites, it is indeed common to witness what appears to be excessive demand for religion. Religious seekers abound, with many lining up for the scarce commodity of religious goods and services.

Overcrowded churches and temples are common scenes in today’s China. During my fieldwork research since 2000, I have visited many Christian churches in coastal cities and the inland provinces. In most of these places I observed churches filled beyond capacity. In Beijing, for example, each of the churches offers multiple Sunday services to accommodate worshippers. Folding stools are even added in the aisles of the sanctuary. Some churches had overflow rooms with closed-circuit TV sets transmitting the service from the main sanctuary. In the southern city of Guangzhou, youth services are held on Sunday afternoons. The attendance in summer 2000 always spilled outside, with dozens of people standing in the sun even when the temperature hovered around 100 degrees Fahrenheit. In the southwestern mountainous city of Nanchong, Sichuan, a wooden building designed to hold four hundred people can be seen packed with some six hundred worshippers, and three such worship services every Sunday. In the northeastern coastal city of Dalian, one church holds multiple services throughout the week. Each service is packed, with wooden pews designed for four people seating as many as six congregants, and the space between rows smaller than that of economy-class seats in commercial airplanes. Many people arrive one or two hours before the scheduled start of service in order to get a seat in the sanctuary. For those who arrived “on time,” it would be just too late for either the sanctuary or the overflow rooms. They would have to sit on small plastic stools in the yard and listen to the choir and sermon on loud speakers. Tony Lambert,57 who visited many Protestant churches in various parts

of China, reports the same—people arriving at church two hours before the service starts in order to find a seat, and at times many left standing in torrential rain while attending the service.

Over-crowded conditions are not unique to Christian churches. Some Buddhist and Daoist temples have been similarly crammed beyond the physical capacity during holidays and festivals. According to news releases from the China Tourism Bureau and the official Xinhua News Agency, on the Chinese New Year’s Day of 2004, Huayan Buddhist Temple in Chongqing City received over forty thousand “incense visitors” (xiang ke, i.e., pilgrims), and Lingyin Buddhist Temple near Hangzhou City received 45,100 visitors. In Shanghai, about 151,000 people visited Buddhist and Daoist temples on New Year’s Eve alone. On the first six days of the Chinese New Year, the Beijing White Cloud Daoist Temple sold about six hundred thousand tickets to visitors. Holiday visitors to temples are not necessarily religious, but, when better measures of religiosity are not available, temple visits may be used as a proxy measure.58 Choosing to visit a temple on New Year’s Day or New Year’s Eve can be considered an indicator of the visitor’s priorities, who could instead, for example, visit family or friends for a dinner party. Even if the visitor was dragged to the temple by a friend or family member just for the “red-hot” fun (re nao, hong huo),59 the exposure to religious scenes, rituals, and the atmosphere might serve to stimulate the person’s interest in religion, or awaken their religious hunger that had been lying dormant. Meanwhile, many people do visit the temples for clearly religious beliefs and practices. For example, some people squeezed into the temple in order to burn the “first incense sticks” (tou xiang) or touch the zodiac symbols for blessings, clearly indicating supernatural beliefs.

I observed the enthusiasm of religious seekers in Shenzhen, a coastal city near Hong Kong. Accompanied by a friend, I visited a church’s weekly youth gathering, which was held on the third floor of an abandoned factory building. It was a humid and hot Friday in summer 2000. Later in the afternoon, rain began to pour down. Given the location of the church on this rainy evening, I expected a small turn-out. However, when I entered the large, bare-bricked hall, I was surprised to find over two hundred young people

58. “A tourist is half a pilgrim, if a pilgrim is half a tourist.” This mantra-like saying, attributed to Victor and Edith Turner, is quoted in the preface of the collection of studies in pilgrimage and tourism, in William H. Swatos, ed., On the Road to Being There: Studies in Pilgrimage and Tourism in Late Modernity (Leiden: Brill, 2006), vii. This proximate measure of religiousness has been used by other scholars inside and outside China as well.
in attendance. At the church office, a woman pastor was chatting with a few first time visitors, including me. Fifteen minutes before the start of the night’s gathering, as I remained in the small office, the pastor received three phone calls. All were from strangers who were asking for directions to the church and related information. And they all came. At the end of the gathering, some newcomers came to the office with questions. But the pastor was too busy to conduct a focused conversation with any of them. Though most of the visitors did not get their questions answered, they bought some books before leaving, and some told the pastor that they would return.

Ironically, the overcrowding of churches and temples itself may serve to stimulate onlookers’ interest in religion. In Dalian, I observed that some passersby became attracted by the attendance that spilled out onto the church yard. Some walked over to the sanctuary entrance for a closer look, taking a moment to listen attentively to the singing and preaching through the loudspeakers. Some attendants made friendly gestures to such onlookers by offering a stool or sharing the hymnal book or the Bible. Such friendly gestures might generate curiosity for the onlooker: why do these people do this? What do they believe? And why does believing religion make them behave in such ways? Such curiosities may ignite a spiritual awakening and search. I interviewed a woman from Anhui, who used to be a library clerk at a factory. When visiting Hefei, the provincial capital, she happened to see a church worship service gathering. She went in with curiosity about the devoted crowd. Followed by a series of incidents “led by God,” as she described them, she converted to Christianity. Later, she became the founder of the first church at the county seat of her residence, and eventually continued to develop over seventy churches throughout the county.

Besides stumbling upon temples and churches, seekers seek out religious believers as well. In Guangzhou, a Christian told me about an informal book club, whose participants were young, college-educated intellectuals. They chose some books of Western culture to read and discuss and eventually they decided to read the Bible because it was considered one of the most important books in Western culture. However, they encountered much frustration in their discussions of this book. Eventually they agreed to find “a true and educated Christian” to explain the true meaning of the Bible and Christian beliefs. This group of seekers was ready to be evangelized. Tony Lambert also reports, “In south China, soon after the events in Beijing [the student-led democracy movement and the Tiananmen massacre in June 1989], over two hundred
students came literally knocking on the door of the local TSPM church seeking answers to their anguished questions.60

I even observed people lining up for baptisms at a Christian church in Guangzhou. Inquirers were required to take a series of classes for two months, fill out an application form, and pass a long written exam before their application was even considered. A pastoral staff member would then interview the applicant to decide whether he or she was ready to be baptized. A waiting list for baptism is common in most churches that I have visited. My interviewees told me that sometimes these waiting lists occur due to the lack of clergymen authorized to perform baptisms. More often it was due to quotas implicitly or explicitly imposed by the local RAB and/or the CCP’s United Front Department (UFD). Because of the atheist ideology and the desire to reduce religion, in a given city or county, if a religion, especially Christianity, grows too rapidly, the local RAB and UFD cadres may face reprimands, or a diminished chance for promotion. Consequently, local RAB/UFD cadres press local religious organizations to slow down the admission of new converts.

Ironically, the hurdles for becoming a church member may serve as a mechanism for selecting the most knowledgeable and most committed believers, and disparage free-riders, resulting in, on average, a higher level of commitment among church members.61 In turn, these church members manifest a high level of enthusiasm for evangelism and for serving as role models inspiring seekers and prospective converts. As a result, more and more people become active in their demand for religion.

The Chronic Shortage of Supply

All the demand-side dynamics described above are in response to the shortage of supply. Under the dominance of atheist ideology, the shortage of religious supply will persist. János Kornai argues that in a shortage economy the growth of firms is resource-constrained instead of demand-constrained.62 Basic resources for production include the physical space, input materials, and labor. In the religious economy, the resource-constraints are not so much due to the lack of resources, but regulatory restrictions. In China’s religious sector, all of these resources, namely religious venues,
religious materials, and religious labor (clergy), are under tight control and restriction by the authorities, resulting in chronic shortages.

First, the party and the state restrict the number of sites open for religious activities. All religious buildings were closed down during the Cultural Revolution. Since 1979, a limited number of temples, mosques, and churches have been reopened for religious activities. However, the number and the process of reopening have been tightly controlled. Following Document no. 19, the State Council decreed a document in 1983 stating that the reopening of temples, in principle, should be limited to those that were used for religious activities immediately before the Cultural Revolution.63 The rest, if not occupied for other purposes, would remain to be treated as historical and cultural relics or tourist sites under the administration of other government agencies rather than the RAB. The implied rationale for the limited reopening of temples was that the extant religious believers were those people who had religion before the Communist liberation in 1949 and were incapable or refused to become socialist new persons. The assumption remained, however, that the new generations who had grown up under the red flag in new China would need no religion.

The central-planning of religious sites continued in the 1990s. In 1991, a regulation specified that opening a religious site needs to be approved by county- or higher-level government authorities.64 In 1996, a stricter restriction was imposed, “it must be approved by the provincial-level government.”65 Interestingly, the central-planners at the time appeared to believe that the existing number of religious sites had been sufficient to meet the demand for religion in the population, as the 1996 document stated, “given that the existing Buddhist temples have basically met the need of believing masses for normal religious activities, in general no new temples should be constructed from now on.”66

In reality, however, the existing religious sites have been insufficient to meet the demand that, unexpected by the regulators, has been growing. Admittedly, it is difficult to determine an optimal number of religious sites to be sufficient to meet the demand, as religious demand itself is difficult to define and probably fluctuates or, in an economic term, is elastic. Nevertheless, a comparison with the United States in actual supply may be indicative to some extent. On

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64. Ibid., 436.
65. Ibid., 540.
66. See ibid., 540.
average there are 6.5 government-approved religious sites for every hundred thousand Chinese (85,000/1.3 billion), whereas there are about 117 religious congregations for every hundred thousand Americans (350,000/0.3 billion). Put another way, there is one church or temple for every 15,294 people in China, whereas there is one church for every 857 Americans. The contrast is stark to the extreme. Even if one insists that the Chinese have never been a very religious people, whereas religious oversupply is a problem in the United States, a difference of eighteen times fewer religious congregations in China is at least indicative of a certain level of religious supply shortage.

We may also look at some comparisons within China itself. In Beijing, for example, in 1948 there were over four hundred Buddhist temples, seventy-two Protestant churches, sixty-five Catholic churches, forty-six Islamic mosques, and sixty-five Daoist temples. In 2002, a total of 107 temples, mosques and churches were open for religious services, including five Buddhist temples, five Protestant churches, and five Catholic churches in the urban districts. In Shanghai, the 280 Protestant churches present in 1949 were reduced to twenty-three by 1990, the 1950 Buddhist temples dropped to nineteen, the 392 Catholic churches to forty-three, the 236 Daoist temples to six, and the nineteen Islamic mosques to six. According to an oral briefing by a government official at a meeting in 2006, there were 375 religious sites in Shanghai in 2005, including eighty-five Buddhist temples, fifteen Daoist temples, seven Muslim mosques, 104 Catholic churches, and 164 Protestant churches. It is true that there has been a rapid increase in the reform era. However, the overall number has remained far less than that of the pre-PRC era. Moreover, the Chinese population has approximately tripled since 1949, from about 450 million to 1.3 billion today, and the increase has been even greater in the Beijing and Shanghai metropolises. Besides, the supply shortage is evident


on the ground as almost all of the government-approved temples and churches in China are overcrowded, as described earlier.

Second, the party and the state restrict clergy and clergy formation. Since 1979, some religious schools or seminaries have been officially opened to train young clergy. By 1995, there were thirty-two Buddhist seminaries, two Daoist seminaries, nine Islamic seminaries, thirty-one Catholic seminaries, and seventeen Protestant seminaries. Most of the seminaries have had small enrollments in the dozens or hundreds. The CCP UFD and government RAB decide which schools to open and how many seminarian students to admit. Without government approval, no organization or individual is allowed to run a seminary or train clergy.69

Due to the tight control, the number of clergy remains extremely low. According to figures released by the government, Catholic priests and nuns increased from 3,400 in 1982 to 4,300 in 1995, Protestant ministers from 5,900 to 18,000, Muslim imams from 20,000 to 40,000, Buddhist monks and nuns from 27,000 to 200,000, and Daoist monks and nuns from 2,600 to 25,700. These are impressive increases. However, we have to keep in mind that the numbers of lay believers have increased even faster, and the laity/clergy ratios remain very imbalanced. In 1995 there were 930 Catholics to every priest or nun, 556 Protestants to every minister, and 450 Muslims to every imam (see table 3). In reality, the problem is even more acute, as the actual number of believers is definitely higher than the officially published estimates, and many older clergy have suffered physical and psychological torture and become too feeble to be in active service.

Third, the party and the state restrict the publication and distribution of religious scriptures, books, and other printed materials. For example, an RAB and Police Bureau joint circular in 1988 insists: “Christian scriptures, books, and magazines must be approved by provincial-level government for printing and publishing. Only Christian organizations [approved by the government] may apply for the permit and do so according to state regulations of press. No other organizations or individuals are allowed to edit, print, or distribute Christian scriptures, books, magazines, and tracts.”70 The Amity Printing Company in Nanjing has printed tens of millions of copies of the Christian Bible, but this company holds a monopoly in the market. No other presses are allowed to print Bibles. The distribution channel is also monopolized by the network of the government-approved Three-Self Patriotic Movement Committees. Document no. 19 also stipulates that religious

70. Ibid.
scriptures, booklets, or pamphlets may not be distributed outside religious premises, even if distributed by clergy or believers of the officially approved temples, mosques, and churches.

In sum, the regulation on religious supply has been restrictive. However, restrictive measures are not always enforceable. While religious activities, scriptures, and clergy formation are not allowed openly, some religious activities simply go underground. Foreigners have smuggled Bibles and religious publications into China. The control apparatus has been rounding up “self-designated evangelists” or ministers without government recognition (zi feng chuan dao ren), but such evangelists continue to rise and proselytize. Some sects, such as the Christianity-inspired Shouters, have experienced crackdowns since the early 1980s, but they still persist, spread, and mutate in organizational form. The black and gray markets of religion exist because of the shortage of supply under regulation.

Conclusion and Discussion

The China case demonstrates the importance of political factors in the religious economy. The “socialist religious economy” based on

Table 3 Believers and clergy of five religions in China

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<th>Catholic</th>
<th>Protestant</th>
<th>Islamic</th>
<th>Buddhist</th>
<th>Daoist</th>
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<tbody>
<tr>
<td>Believers (million)</td>
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<tr>
<td>1982</td>
<td>3.0</td>
<td>3.0</td>
<td>10.0</td>
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<td>1995</td>
<td>4.0</td>
<td>10.0</td>
<td>18.0</td>
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<tr>
<td>Clergy</td>
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<tr>
<td>1982</td>
<td>3,400</td>
<td>5,900</td>
<td>20,000</td>
<td>27,000</td>
<td>2,600</td>
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<tr>
<td>1995</td>
<td>4,300</td>
<td>18,000</td>
<td>40,000</td>
<td>200,000</td>
<td>25,700</td>
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<td>Clergy/Believer ratio</td>
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<tr>
<td>1982</td>
<td>1/882</td>
<td>1/508</td>
<td>1/500</td>
<td></td>
<td></td>
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<tr>
<td>1995</td>
<td>1/930</td>
<td>1/556</td>
<td>1/450</td>
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Sources: aDocument no. 19; bLi 1999.
Notes: Li (1999) is an official in the CCP UFD. The number of Muslims is the total population of ten ethnic minorities that consider Islam their ethnic religion, although many do not practice Islam. Buddhist and Daoist believers are difficult to define and estimate because of the lack of formal membership in Buddhism and Daoism. The professional ecclesiastics of different religions are not totally comparable because Buddhist and Daoist monks and nuns may not interact with lay believers, whereas Catholic priests, Protestant pastors, and Islamic Imams minister to the laity.

atheist Communist ideology is by nature a “shortage economy,”72 in which the religious demand is far from stable. Eradication in the past failed to wipe out religion, and restrictive regulations have failed to contain religion in reform-era China. While the Communists have tried to force upon the people the atheist Communist ideology, many individuals have sought solace in alternative spiritualities without a religious label. Even though the authorities have tried to spell out regulatory procedures, carry out periodical crackdowns on various religious activities, and severely punish the leaders of banned religious movements, the religious demand has kept growing throughout the reform era. The growing demand in turn stimulates religious supply and forces the authorities to adapt their regulation and enforcement strategies.

To respond to the seemingly excessive demand, regulators have three available options. Option one is to reduce the active demand, that is, the people’s desire for the goods and services through education. However, atheist propaganda has become less and less effective in the reform era while more and more people’s spiritual hunger is awakened. Meanwhile, as more and more foreigners visit and work in China and more and more Chinese visit, study, and live in the West, religious freedom has become ever more consciously accepted by Chinese citizens.

Option two is to raise the costs for the desired goods and services. However, economic reforms and opening-up toward the world make it difficult for the Chinese authorities to raise the costs of practicing religion. To follow the standards of the United Nations, especially the economically developed countries, religious freedom has been inscribed in the PRC Constitution, and the reform-minded leaders in the CCP have promoted rule of law to some extent. Some international nongovernmental organizations serve as watchdogs of human rights violations in China. The United States, some other Western governments, and some United Nations agencies openly criticize the Chinese government’s violations of religious freedom and other human rights. Moreover, raising financial and social costs to religious believers will not only draw criticisms, but may also retard foreign investment in China. In reality, the social costs of practicing religion have been practically reduced in the reform era, as the social control mechanisms have substantially altered along with the economic market transition. The “People’s Communes” have been transformed to townships; danwei (work-units) have lost some of their functions; even the CCP, supposedly the party of the proletariat, has opened its membership to businessmen.

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72. See Kornai, Economics of Shortage; and his The Socialist System.
and entrepreneurs, and practicing religion has become increasingly tolerated, accepted, and even appreciated in society.

Option three is to increase religious supply. As a matter of fact, the Chinese authorities have been accommodating in this regard, allowing more temples to be restored and more churches built. However, taking the organizational threat seriously, the party and state try not to lose control over the apparently inevitable growth of religion. On the one hand, some official measures have been taken to promote Buddhism and folk religion as a counter to the growth of Catholicism and Protestantism. In 2006 and 2009, the government sponsored the World Buddhist Forum. In 2007, it sponsored the International Daodejing Forum. Traditional communal religions (folk religion) have been restored in many places in the name of preserving nonmaterial cultural heritage. On the other hand, the authorities strive to make effective planning of religious venues. In Shanghai, for example, the UFD and the RAB commissioned research projects of religious venues and religious believers in the city, with the intention to make “rational placement of religious venues” (heli buju). Such a stereotypical practice of central-planning in the economy has now been applied to religion. However, such central-planning, just as in the material economy, inevitably leads to chronic shortages of supply and is bound to fail in terms of meeting people’s varied needs for religion, not to mention the fact that this inevitably involves the state in decisions over which religious groups are to be given preference. In Shanghai, the government-approved churches continue to be overcrowded, and nonregistered underground churches continue to exist, despite raids and punishments.

Without further deregulation, the problem of excessive demand for religion, or the shortage of the supply of religion, will not


74. There have been some adjustments in the implementation of the religious policy. Since the mid-1990s, the central and provincial governments have installed numerous administrative ordinances, climaxing in the Regulations on Religious Affairs decreed by the State Council that became effective on March 1, 2005. See Kim-Kwong Chan and Eric R. Carlson, *Religious Freedom in China: Policy, Administration, and Regulation, A Research Handbook* (Santa Barbara: Institute for the Study of American Religion) for an annotated translation. But there have been no substantial deviation from the basic policy established in Document no. 19. About the fact that China’s religious policy remains strict, there has been a broad consensus among China observers; e.g., Human Rights Watch/Asia, *Continuing Religious Repression in China* (New York: Human Rights Watch, 1993), and its *China: State Control of Religion* (New York: Human Rights Watch, 1997); and Freedom House, “Report Analyzing Seven Secret Chinese Government Documents on Religious Freedom,”
disappear in China. Meanwhile, a political economy approach identifies the central role of ideology in China’s religious regulation strategy. The shortage of religious supply is not only a problem of central planning, but also driven by the atheist ideology. As long as atheism is maintained as part of ideological orthodoxy, changes in religion policy will be no more than cosmetic, and China’s shortage economy of religion will persist.


75. As one of the latest published examples, Ye Xiaowen, the director of SARAtsar of religious affairs, said at the CCP Central Party School and also published in the authoritative Annual of Religious Research in China, 1997–1998: “we always hope to gradually weaken the influence of religion” ([1997] 2000: 5).