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## **The Buddha Effect on Business in Modern China**

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## **ABSTRACT**

Buddhism has had a significant if underappreciated influence on Chinese culture. Brought to China from India centuries ago through trade routes of land and sea, Buddhist ideas and values have deeply embedded themselves within Chinese culture and continue to influence modern-day Chinese business practices. During the period following the 1949 Communist revolution, the Chinese government stifled Buddhism. In recent years, the government has taken a more tolerant approach. By understanding the interplay between the Buddhist faith and Chinese culture, Westerners may gain better insights into Chinese culture, which may enhance their ability to negotiate successful business deals.

## INTRODUCTION

Buddhism has influenced the manner in which the Chinese do business for a millennium. Two sacred philosophies had a profound impact on the Chinese economic spheres: Buddhism and Confucianism. Surprisingly, Buddhism may be the more influential of the two. Approximately 240 million practicing Buddhists live in China today, representing the largest concentration of Buddhists in the world (Pew Research Center, April 2015). Westerners have invested considerable time and effort in trying to understand the effect of religion on the business mindset of the Chinese, with little success. This has led to less-than-favorable business negotiations. Buddhism plays a role in the way the Chinese do business and view Chinese interactions. Chinese Buddhists are very accepting of the use of Buddhist sacred iconography in business and in commerce. As the Chinese embrace modernity and capitalism, they are seeking to fulfill higher levels of fulfillment. By understanding the interplay between the Buddhist faith and Chinese agrarian culture, Westerners may gain a better understanding of Chinese culture, which may enhance their ability to negotiate successful business deals.

## LITERATURE REVIEW

According to the article "Buddhism In the West," basic Buddhist beliefs entail peace through understanding and knowledge and that all sentient beings should be respected (BDEA/ BuddhaNet). Included among these sentient beings are animals, the earth, and all living things. At the core of this belief is the true nature of humans, that we are all Buddha, and that we are "one" with the Universe. This is achieved by gradually reducing feelings of hatred, greed, and suffering which, ultimately, translate into harmony and balance—all by the process of rebirth and reincarnation. These principles had genesis with the Buddha, a teacher who lived in Northern India during the mid-6th and the mid-4th centuries BCE. The religion originated during the first century A.D. during the Han Dynasty (206 BC-220) (Eno, 2008). Its growth can be attributed to three distinct periods: The first period was the Han Dynasty where translations of many Buddhist scriptures were initially undertaken. The second period was the Jin (265-420) when Buddhism was universalized across China and entered a time of affluence. The last period was the Sui (581-618) and Tang (618-907) Dynasties where Buddhism reached its golden age and new Buddhist denominations were founded; the religion experienced unparalleled growth and prosperity (Randel, November 2003). These three periods demonstrated expansion that correlates with the Buddhist movement and faith.

Westerners have previously assumed that the "Silk Road" was the primary pathway for the introduction of commerce through Buddhism into China since it is associated with the Marco Polo trade expedition from Europe to China. However, recent research suggests that Buddhism presence and trade made use of both land and maritime routes to conduct commerce (Sen, February 2015). In addition,

through these routes new Buddhist musical instruments such as bronze bells entered China (Randel, November 2003). This was an essential source of commerce associated with Buddhism. Bronze bells were commonly used for governmental operations, court functions, as well as Buddhist rituals. These bells served not only as an exclusive secular trade but most importantly symbolized a religious agenda associated with the Buddhist belief.

In the mid-1500's, religious belief started becoming embedded with rudimentary tools of commerce. One way we witness this, is the Buddhist principle of charity, a good deed, which sets the groundwork for one to overlay analysis or accountability. In the example of Yuang Huang (1533-1606), a resident of the Jiashan County who developed a widely accepted method of accounting for his moral merits and demerits, "...wrote down all his good and bad deeds, attached numerical values to them, and thus could sum up the quality of his moral life—in what looks suspiciously like a commercial ledger" (Brook, 1998). This popular method of accounting where one could account for one's good and bad deeds was further developed to have a reward system based on points that would reward the good deeds with one-thousand copper coins. Even from this early example of "accounting procedures", we can see how the Chinese began to understand and intermix with ease that Buddhism lends itself towards commerce - both the spiritual and secular worlds could coexist without contradiction. Another critical area where Buddhists influenced the economy in China was through the print technology and the translation of the Buddhist manuscripts decreed by Emperor Wen during the Sui Dynasty (Perkins 564). This was the first example of mass printing in Chinese history, affecting economics, increasing literacy, and increasing knowledge of Buddhist beliefs across Asia. Continuing through time, in Mao's "The Great Leap Forward"—we see clear evidence of an undoing and reversal of some of the gains in literacy and economic standing that were partially attributed to the effects of Buddhism.

In the late 1940s, when the Communists consolidated their power in China, they exercised religious oppression, stifling religious growth and commerce, including that of Buddhism. Nonetheless, in spite of this oppression, "...since 1978, the government has both relaxed laws proscribing religious practice and has recognized what a strong draw prominent Buddhist temples and pilgrimage mountains can be for domestic and foreign tourism" (Berkowitz, 2006). This period marked a reaction to the contraction experienced by the takeover of the economy and the temples of Buddhist faith. In the study "Religious Tourism in Asia and the Pacific", conducted by The World Tourism Organization (2011), it was found that since the relaxation of these laws, China has experienced exponential growth in religious tourism. It has positively affected the growth of commerce and Buddhist Temples within the last thirty years, gaining significant amounts of World Heritage sites of UNESCO to their credit.

During the past 20-30 years there has been a release of religious oppression as well as commerce. Today, the Chinese find themselves living two sets of

philosophies that at times conflict with each another. On the one hand, the Chinese government has attempted to indoctrinate their society with atheism as well as the notion that religion, in example Buddhism, is seen as a societal opiate. According to Magistad (2001), because of the emergence of the economic boom of the past thirty years in China, people have acquired the view that "to get rich is to be glorious." This view has been aided by two ideals: saving face and haggling, as expressed by Graham and Lam. The need to save face in Asian societies is equated to status, power, and prowess. Conducive to a situation of haggling, the need to save face promotes exchanges of ongoing haggling in a negotiation setting. Hence, the more haggling, the more prestige and the greater prowess the negotiator is perceived to have. Haggling provides time to process the nature of reality of the business deal. Drawing a parallel with Buddha and his search for enlightenment in the practice of numerous forms of asceticism practices that he undertook, Buddha himself was haggling. Through this process of trial and error, Buddha was able to define for himself the nature of his enlightenment, that he was one with the universe.

### **INFLUENCES ON BUDDHISM**

The Chinese are now at a crossroads in the application of mass westernization and Buddhist principles. As a result of the "to get rich is to be glorious" notion we see the manifestation of the Chinese population experiencing high levels of frustration, depression and other mental and physiological issues that lead to diseases such as cardiovascular disease, diabetes, and obesity. As people begin to experience and realize the effects of an all-out adoption of a western-style economic expansion, they look for ways to find inner peace. Because of newly found tolerance of religious belief in the People's Republic of China, Buddhism has become a source, once again, of inner peace. The rise of the middle class is demonstrating that consumerism is also being looked upon as a way of reaching this state of equilibrium.

There are three major factors that are influencing the Chinese and the way they do business. These factors are comprised of the counter-reaction to communist government oppression, the need to meet physiological needs, and lastly Buddhism as a facilitator. With years of communist imposed austerity, religion and centralized government diminished and stifled commercial productivity, Along with religious practice in China. This has led to an over-reaction to modernization in business activity and the re-emergence of religious freedoms. This over-reaction is very similar to Siddhartha's extremism when he was searching for enlightenment and took on many forms of asceticism and other austere practices.

These behaviors displayed by the Chinese population directly model Buddha's life, especially when Siddhartha was at his father's palace. This could represent the time period in modern Chinese history prior to communist oppression, although not a golden period, it was the one where people could practice religious freedom and

commerce. His path to finding enlightenment and his practices of extreme austerity relate to the period of religious oppression where people experienced famine, purges, extreme oppression of the intellectual class, etc. The period after he finds enlightenment could represent a reconnection with the rest of the world, China's reemergence of Buddhism, mass modernization, and extreme capitalism.

The next essential factor is the necessity of the Chinese people to meet physiological needs. Abraham Maslow describes that humans follow a pyramid of human needs from the base of the pyramid progressively ascending, as each of these needs is met. These needs are stated in the literature, Management, to be from the most basic which is physiological, safety, to belongingness, esteem, and self-actualization at the pinnacle of the pyramid (Hitt et al, 2012). In comparing Maslow's Pyramid of needs and the life of the Buddha we see an elegant connection. The Buddha attempts to seek enlightenment by committing to austere practices in an attempt to address self-actualization needs, he does this by denying the flesh and the physical world through the suppression of all other needs addressed in the pyramid. In the end, he realizes that in order to have enlightenment, the physical and spiritual worlds must coexist—thus addressing each level of the pyramid. He comes to this realization when he partakes in the meal offered to him by the maiden.

In the early years of the communist rule, until recently, the Chinese people have been trying to meet the bottom portion of the pyramid—physiological and safety needs. They were responding to these needs by increasing agricultural production, increasing their exports, and creating jobs in China. The increase in agricultural productions is a natural response because it closely mirrors the Chinese demographical reality that two-thirds of the population is an agrarian one, as explained by the Harvard Business Review in the article The Chinese Negotiation (Graham and Lam, October 2003). Agrarianism has contributed to the character of the Chinese, in the way that they negotiate and interact. This is a result of the communal mindset, which stresses the support of the community collective, and the learning from those who have understood the nature of enlightenment. In interacting with the Chinese, one cannot present oneself as a merchant because the agrarian would look down upon a merchant-class with mistrust. However, he would admire and hold in high-esteem an enlightened teacher such with the familiarity that they can equate to the Buddha. The Chinese must also never be approached in an individualistic fashion since the DNA of their society is focused on the community and collectivism, which speaks to the needs of belongingness in Maslow's Pyramid.

In the 2008 summer Olympics, we see clear evidence that Chinese are now poised to address midpoint levels of the pyramid addressing belongingness and higher levels addressing esteem. According to an article published in the Wall Street Journal, "China Counts the Cost of Hosting the Olympics," this is made evident by the expenditure of "42 billion dollars" to host the 2008 Olympics in Beijing, China. This was to signal to the world of their emergence and their sense of belongingness

to the global community. Internally, their Olympic participation reinforced national self-esteem. Moreover, this capital expenditure represents long-term infrastructure investments such as the building of highways, airports, and transportation systems that will eventually facilitate efficient business activities in China.

Although Buddhism can be perceived as a contributing factor, it could more accurately be described as a facilitator of business in modern-day China and discouraging negative actions. Buddhism creates an environment where its philosophy allows for individuals to be less stressed—hence, creating a more productive participant in the economy. Additionally, Buddhism at the core of its principle has the rejection of feelings of envy and resentment. Having over one billion persons in the Chinese population, the effects of envy could easily manifest themselves in greater amounts of colonialism, wars for resources, and conquests. Such as what happened when in the late 1930s, prior to World War II, the Japanese started to have needs for expansion and access to resources. Feelings of envy and resentment started to emerge as they invaded China, plundering resources, and expelling the Europeans out of Asiatic spheres. Today China can easily posture itself in the same manner, though this is often not the case. Yes, there have been moderate events of aggression such as the invasion of Tibet, but taking into account the population size and demand for resources as China attempts to modernize; Buddhism has acted as a moderator for these actions and feelings.

## CONCLUSION

Buddhism is a compilation of ideas, concepts, and feelings that invoke harmony, religious freedom, flexibility, and adaptability. In recent years, Buddhism's iconic religious figures have been used in a range of images that also widely promote commercialism. These images have been displayed in a wide array of products such as restaurants, in an example "The Buddha Bar" in London, on the packaging of medicinal teas, beach sandals, surfboards, cartoon caricatures, high-end fashion items, logos for design studios, and gold coined currency. No other religion would acquiesce to using its sacred images and icons for this level of commercial use, and would easily deem their use in this fashion as sacrilege. What is significant about this type of flexibility is that it has the potential to influence various age groups, nationalities, appeals to different tastes and interpretations, and more importantly, it has the ability to be relevant to present and future generations of followers.

Buddhism has had a significant influence in China for thousands of years, its ideas and concepts traveled from India to China through trade routes of land and sea. It brought with its commerce and values that several Chinese dynasties would further develop and integrate into Chinese culture and the manner in which they conduct business. For a relatively short period of time, in modern day—the Chinese

government stifled Buddhism and its commerce effect. In recent times, communism in China has morphed into a form of government that welcomes and heavily promotes westernization and capitalism. These favorable conditions have encouraged the growth of religion and Buddhism. The emphasis towards modernization has brought out attitudes such as the need to saving-face, haggling, and an ill perception that are creating challenges in global negotiations.

Over westernization and capitalism in the People's Republic of China can be compared to a pendulum swinging towards excess but eventually swinging back towards the center. This movement, or the "swinging back" of the pendulum, would represent the re-association of the people to the Buddhist fundamental value of the middle path. An improvement of the quality of living, the formation of a broad middle class, and the formalization of an open policy towards capitalism will bring the Chinese society back to the middle path—thus bringing about a society that is in balance with its ethereal and secular worlds.



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