



Institutional Capital, Ancestral Hall, and the Reshaping of Ancient Rule: an Empirical Analysis of the New Energy of Chinese Heritage Elements in Rural Revitalization

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Abstract

In rural areas of China, the ancestral hall is a unique traditional cultural icon, exerting a long-lasting influence on rural development. However, the institutional structuring effect of ancestral halls on rural economies in the current century has been ignored. The impact of ancestral halls on the regional economy of the town level in Fujian Province is explored in this paper using data from the China Statistical Yearbook and ancestral halls from Fujian's provincial cultural heritage protection list. Based on the research, it is evident that the quantity and size of ancestral halls correlate positively with economic growth. The ancestral hall promotes economic growth through its endogenous institutional shaping function as a vital vehicle for institutional capital. This article argues that during the rural revitalization process, practitioners, and policymakers should maximize the use of traditional cultural institution elements to foster rural institution evolution and thus establish a mechanism for effective rural social governance and entrepreneurial innovation. This paper fills the gap of comprehensive research on specific cultural icons in economics and provides empirical sample of the knowledge economy research for further exploring the interactive relationship between entrepreneurship and knowledge inheritance.

Keywords Institutional capital · Ancestral hall · Informal institution · Heritage protection · Rural revitalization

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Introduction

Rural revitalization is a crucial component of China's national strategy (Central Document No.1, 2018). China's State Council has explicitly proposed integrating institutional development into this strategy to promote market-oriented reforms and modernized rural governance while sustaining, nurturing, and transmitting the excellent Chinese traditional culture found in rural areas, which serves as a critical vehicle of Chinese civilization (Rural Revitalization Strategic Plan 2018–2022). Numerous entrepreneurs heeded the strategy's call and returned to their hometowns to draw up their businesses. It was a pleasant surprise to discover that they restored ancestral halls while establishing their businesses. As we all know, entrepreneurs are a group dedicated to maximizing financial benefits, but what is the mechanics of the ancestral hall in the perception of entrepreneurs and the local population that makes them go home to repair or rebuild it? How does the ancestral hall influence entrepreneurial resource allocation and economic decision-making? What effect does it have on rural revitalization? This paper will assess these issues from a theoretical and empirical standpoint.

The ancestral hall is a highly distinctive feature of Chinese traditional culture, and it has been the subject of extensive research by numerous scholars, although the economic significance of it remains understudied. However, this paper attempts to identify hints of economics elements from current research to develop a research framework. Feng (2013), a famous Chinese ancient history scholar, states that the ancestral hall was historically a clan organization with a fundamental institution for managing clan matters, and the clan was the basic unit of economic activity in ancient China's grassroots society. This view was confirmed by Weber (1981), who state that it was the most powerful corporate actor in rural China, and Ruskola (1999), mentioning its role of coordinating and adjudicating agricultural and handicraft operations. Luo and Zhu (2017) even elaborated that ancestral hall pushed clan regulations and clan agreements to assist in establishing and stabilizing agricultural economic property rights on area of forestland and arable land. It is easy to see the role played by the ancestral halls in ancient China, famous worldwide for its silk, tea, and porcelain, based on an agricultural and handicraft economy.

Due to historical changes, the ancestral hall has lost its rural social management functions and gained new ones, which was verified by Wang and Wang (2013), as a culturally preserved public space. The ancestral hall is critical in preserving traditional community public lifestyles, organizing community public welfare endeavors, and carrying national identity (Gan 2019). Meantime, it is influencing the rural governance structure. Wang (1997), a sociology scholar, through his field study, find that by leading the construction of ancestral halls, clan elites established their legitimate power in rural society, which directly affects Hong Kong entrepreneur's investment decision. Via their cooperation and dynamic interaction with the concept of social public cultural space and the clan's lineage cultural positioning, ancestral halls contribute to village governance (Chen, 2016; Chen, 2020) which dominated by village cadres, who have the right to allocate economic resources. During the early stages of China's reform and opening up, it effectively integrated charitable resources and converted them into cultural and economic capital (Li, 2014). Later, as a symbol of the clan spirit, it mobilized the clan network and aided in the rapid growth of township and village enterprises (Peng, 2004). In the modern period, ancestral halls have played a distinctive role in farmers' self-employment and employment operations.

They have a strengthening effect on the clan network. A stronger clan network provides employment opportunities and social resources that facilitate the free flow of rural labor, increasing farmers' income (Guo et al., 2014; Guo & Yao, 2013; Foltz et al., 2020).

Currently, the research on ancestral temples is mainly conducted in the fields of sociology and history with an emphasis on their historical evolution, current status, and current impact on rural social structure and social governance. These studies are primarily normative, but there is a shortage of research on the reasons for the changes in its roles under the market economy and the internal mechanism of ancestral halls' contemporary structure and governance. Additionally, these studies have primarily treated ancestral halls as a subordinate resource for clan relations, serving as a link between intra-clan relations and thus social capital. Still, the analysis of this linkage has been limited to intra-clan. It has emphasized instrumental utility, with little research on the economic impact of the endogenous institution of ancestral halls. Indeed, the fact that an ancestral hall integrates utensils, institutions, and beliefs into a three-tiered culture (Gan, 2019) demonstrates that it is built on a solid basis of endogenous social rationality in rural communities.

Whether in ancient China as a formal institution or in modern China as an informal social link, ancestral halls have significantly impacted economic activity. Entrepreneurs who returned to their hometowns contributed finance, technology, and advanced management skills to reconstruct the ancestral hall, a traditional cultural icon, adding a new cultural dimension to the hall. It necessitates the integration of sociological and economic research findings and incorporating the perspective of new institutional economics into the study of ancestral halls.

The paper makes several contributions. First, it fills in specific gaps in the study of new institutional economics in rural rejuvenation in China by examining the institutional role of ancestral halls as a carrier of informal institutions. The ancestral hall took the journey as a formal institution in ancient China to being marginalized and then resurrected as an informal institution is economically significant in its own right. Second, studying the institutional logic and institutional capital theory that underpin the economic behavior of many entrepreneurs who return to their hometowns to revitalize the countryside will aid in the systematic understanding of the institutional shaping mechanism of traditional culture in the revitalization of China's countryside. Third, it gives a novel research viewpoint on the Chinese economic paradigm by examining the relationship between traditional culture and the Chinese economic paradigm.

The structure of this paper is as follows: the first section establishes a new institutional theoretical framework for ancestral halls and economic growth and then uses it to study the mechanism by which ancestral halls and ancestral hall construction affect economic growth; the second section introduces the measurement model, data source, and variable selection; and the third section theoretically explores the roadmap of the ancestral hall to promote economic growth. The concluding section makes policy recommendations.

Literature Review, Conceptual Framework, and Theoretical Hypotheses

Many scholars have emphasized the role of institution in economic growth (Acemoglu et al., 2005), by way of reducing uncertainty and minimizing transaction costs (Coase, 1960). North, 1993, 1994) conducted a deeper study classifying institution into formal

and informal institutions and claimed that a sizable portion of economic activity in our society is dominated by informal institutions, which suggested that informal institution had also important influence on economic growth. Same thought has been shared by another scholar who mentioned that the informal institution enables the formal institution to operate more efficiently and provides a legal basis for the formal institution (Ellickson, 1991). It was verified by Hotte et al. (2019) through a case study on forest governance on Haida Gwaii which examined the informal rules aiding formal rules to motivate social trust. Even in places where formal institutions don't exist or are ineffective, informal institutions can act as substitutes to enhance economic improvement (Estrin & Prevezer, 2011). Based on these views, some researchers discussed informal institutions on entrepreneurship. Ramesh (2020) identified that informal institutions make entrepreneurship in more flexible in China than India through a conducted case study. In their study, Nguyen et al. (2021) had given emphasis on informal institutions which makes a significant contribution for implanting social traditions, norms, and values of business, and it has remarkable impact on entrepreneurial functions. They found that informal institutions represented by social history, common law system, and colonial history are positively associated with entrepreneurship density. A research study conducted by Santos et al. (2021) revealed the asymmetry between the informal and formal institutions in a society influence the entrepreneur's tendency, the greater between them, the greater the tendency to operate in the informal sector.

China's remarkable achievements in economic growth with the underdeveloped legal environment and formal finance system (Allen et al., 2005; Puffer et al., 2010) have attracted worldwide attention, as a unique model for developing countries. Allen et al. (2005) cited China as an important counterexample to the law-finance-growth nexus growth paradigm through the study of private sector which provides most of the economy's growth. They concluded that the alternative informal mechanisms and institutions played a vital role in supporting the growth in the private sector, but they haven't explained how the mechanism works. Ramesh (2020) furtherly interpreted this mechanism as a dual regulation: "The centrally planned economy has not been dismantled but allowed to run in parallel with the emerging market economy. Furthermore, China's economic transition has been based on incremental change in the formation and in the development of institutions." It does describe the feature of economic transaction in China on informal institutions, but still lacks empirical evidence at the micro level. Even in the incremental reform in China, institutions play different roles from rural areas to Urban. There are two trends that coexist in China: The accelerated urbanization resulted in the exodus of labor, human capital, and capital from rural areas mainly derived by formal market system, which boosting the cities' prosperity, but was considered detrimental on rural economic growth (Li et al., 2018; Yuan et al., 2018). However, some researchers find the opposite trend, informal cooperation networks, a distinctive advantage of rural areas, attract a diverse range of organizations to engage in economic activity (Xu & Yao, 2015; Galvão et al., 2020; Escandón-Barbosa et al., 2019).

This remark underscores the need to study informal institutions in rural areas for the rural economy's development. A China's best-known sociologist, Fei (1992), proposed "the differential mode of association" (Cha xu geju) concept to describe the feature of rural China: the social relationship in China presents a concentric circle layout centered on the "Ego" under the traditional Confucian moral system, which can expand and

contract according to the relative distance, which was verified by Landa (1981), the same feature in Chinese community in Malaysia. This feature still has a significant impact on Chinese rural society today. Liu (2012) wrote that traditional Confucianism society attempts to establish a ritual community via the unity of “profit” and “righteousness” to form a Pareto optimal equilibrium in the entire society. Carr and Landa (2016) further explained that rational traders would assess the creditworthiness of the other party based on the proximity of the relationship to minimize transaction costs. In the absence or imperfection of a legal framework, the moral law embedded in clan relationships will function similarly to contract law. Greif and Tabellini (2017) pointed that the excellent ancient China culture is built on limited morality, creating the institutional environment necessary for economic growth, in the absence of generalized morality, which is considered an important impetus of western society.

All these discourses corroborate Confucianism’s economic ethics of “cultivating one’s moral character, rehabilitating one’s family, ruling one’s country, and pacifying the world.” Before the world’s modernization and industrialization had a profound effect on China, Confucianism’s “differential mode of association” of social relations preserved the flexibility of Chinese society, thereby preserving the Chinese economy’s historical relative leadership position.

However, in the pre-industrial age, the slight surplus generated by the small-scale agricultural economy in ancient China resulted in exceptionally high tax collection expenses, which objectively established a dynamic balance between the central government and local clans. For instance, Chen Hongmou, a renowned scholar during the Qing Dynasty, recommended relying on local clan autonomy to rein in bureaucratic expansion (Greif and Tabellini, 2017). Moreover, it established the rural sovereignty of “State power does not extend below the county level” (Huang quanbuxiaxian) (Wen, 2003): Governance within the county is based on clan autonomy, which is based on the principles preached by local squires (Qin, 2004). It evolved into a binary rural governance corridor: Top-down national policy was communicated to villagers via clan elites in the countryside, and local self-government organizations can also communicate with bureaucratic administration via all social relations (Fei, 1973), thus lowering transaction costs in rural areas.

The ancestral hall results from the combined influence of “the differentiated model of association” and “state power do not extend below the county level.” Popular families began to participate in the formation and management of society during the Song Dynasty. Since Zhu Xi’s “Family Ceremony” advocated for family shrines, folk shrines developed, signaling the development of Confucianism in rural society via the physical form of space (Xie, 2016). As the unseen Moral Sentiments that underpin Adam Smith’s market theory, Zhu Xi’s ideas established the groundwork for the ancestral hall’s value system during the secularization of Confucian etiquette. During the Yuan, Ming, and Qing dynasties, the ancestral hall system matured due to the government’s administration requirements and the clan’s development. By the Qing Dynasty, the number of ancestral halls had extended across the country’s urban and rural areas, and the scale of buildings had increased significantly (Xie, 2016).

Before 1949, when the P.R. China was founded, the ancestral hall organization served as the village’s true ruler. The ancestral hall as a formal system regulates rural economic behavior and guides collective actions in rural production activities such as land leasing between landlords and growers, employment of temporary and permanent workers, and agricultural production collaboration, such as irrigation and handicraft cooperation. It has sustained rural

areas' long-term stability via the output of traditional Confucian ideas, institutional restraints, and clan-level coordination of behavior patterns. Following the formation of P.R. China and the subsequent penetration of government rights into the countryside, the ancestral halls were destroyed, and their institutional governing function ceased to exist. It was not until the reform and opening-up era that overseas Chinese began to return to their hometowns to visit relatives and invest in the business. At the same time, the ancestral hall culture began to revive, and ancestral halls as informal institutions began to play a role in rural areas. To a degree, entrepreneurs in the new period returning to their hometowns to construct ancestral halls can be considered a continuation of this tradition. The ancestral hall has undergone an informal institution, a formal institution, and finally, an informal institution. It has a robust institutional foundation in China's fundamental social structure. The ancestral hall institution has a solid endogenous institution shaping function during the transformation process: first, it is output via the common value system, affecting the role positioning and self-identification of individual actors within the clan and then generating internal incentive effects which are endogenous factors of individual actions. Second, it defines the action scope of clan members, lowers the uncertainty associated with contract execution, and formulates the penalty mechanism in the event of contract breach, ensuring the predictability of the action, which acts as an exogenous factor in individual actions. Thirdly, it completes and renews the clan's shared value norm structure via interaction among clan members.

The above literature reviews the role of informal institutions in economic growth, the critical role of informal institutions in China's economic development, and the moral logic underpinning traditional Chinese society. While the introduction of formal institutions such as legal and financial systems has undoubtedly played an engine role in China's reform and opening up, traditional culture has undoubtedly provided a good bearer for them. While there is a degree of academic common sense that Confucian culture has played an essential role in China's economic growth, how the culture works at a micro-economic level is not well explained in the current literature. The lagging developing Chinese countryside to the cities is a fossil for preserving traditional Chinese culture. Consequently, this paper argues that placing the study within the context of rural revitalization and examining the logic of entrepreneurial behavior and township economic development through the institutional shaping function of the ancestral hall, a vehicle of traditional culture, can help to understand the economic foundations of China.

The research begins by examining the compatibility of traditional Confucianism with the market economy in terms of the vision and purpose of Pareto Optimality (Li, 2012). Due to the lack of a comprehensive, unified legal system, and a lack of market regulations caused by the agricultural economic era's uneven market growth, the Confucian code of ethics spontaneously adopted the blood-related club organization form (Carr, Jack L., & Janet Tai Landa., 1983; Buchanan, 1965). The ancestral hall promotes Kaldor-Hicks development, fulfills the function of substitute elements of the institution, and so achieves the maximum output within the club via resource integration, thereby encouraging maximum social production. Since China is presently in a transitional stage and rural market features are not flawless, there are still significant uncertainties in rural economic contracts, which have a significant inhibiting influence on economic activity. The self-consistent nature of ancestral halls is an essential means to promote economic growth. The inherent self-consistency of ancestral halls is critical for economic growth. By restructuring old rules, it is possible to

activate rural production variables and boost rural growth by transforming the self-contained informal institutional functions of ancestral halls into institutional capital.

Some researchers have argued that Confucianism fosters economic growth by influencing social norms and behavioral choices for years (Ornatowski, 1996; Liu et al., 2014). We continue on this route by empirically exploring the economic impact mechanism of the ancestral hall's social, institutional shaping role on the economy by institutional capital perspective. Ayongman & Han, (2015, 2019) studied informal institutions using the Douglas function of institutional capital. Informal institutions contribute to economic growth via contributing to the formation of institutional capital and providing institutional dividends. The five primary functions of institutional capital are to save transaction costs, improve factor efficiency, replace factor inputs, change the production method, and change the objective function.

The ancestral hall is a spatial expression of Confucianism, while the clan is related to the ancestral organizations, The ancestral hall symbolizes the clan's independent existence, and it serves to orient the rural space (Chen et al., 2020). Given the uncertainty surrounding the clan network's value orientation, this paper concentrates on the ancestral hall. The clans are subordinated to the study of ancestral halls. Based on fieldwork and literature findings, this paper classifies the functions of ancestral halls into seven categories. These functions shape the behavior of clan members, thus fulfilling the five functions of institutional capital and influencing economic growth. Figure 1 illustrates its mechanistic path.

The mechanism is explained in two dimensions in this paper: (i) collectively, ancestral hall functions (number, scale) have a macro impact on rural economic growth, and (ii) individually, ancestral hall functions determine group behavior along their different routes to economic growth. The size of individual ancestral halls affects the degree to which individual clans' group behaviors are institutionalized. The number of ancestral halls inside a single administrative unit impacts the clan's level of group action in that area. When the purpose of group activity is matched with economic growth, it supports economic growth. The following are the hypotheses:

Hypothesis 1: Ceteris paribus, the more ancestral halls there are in a given area, the greater the power to shape institutional behaviors and the more beneficial to the area's economic growth.

Hypothesis 2: Ceteris paribus, the higher the scale of ancestral halls in a given area, the greater its institutional shaping potential and the more beneficial to the area's economic growth.

Hypothesis 3: The greater the enrichment effect of the various functions of the ancestral hall in a given area, the greater the institution-shaping capacity generated, and it is more beneficial to the area's economic growth.

Measurement Model, Data Source, and Variable Selection

Measurement Model

Fujian Province currently has the largest ancestral hall complex in mainland China. Fujian Provincial government agencies, entrepreneurs, and the public have

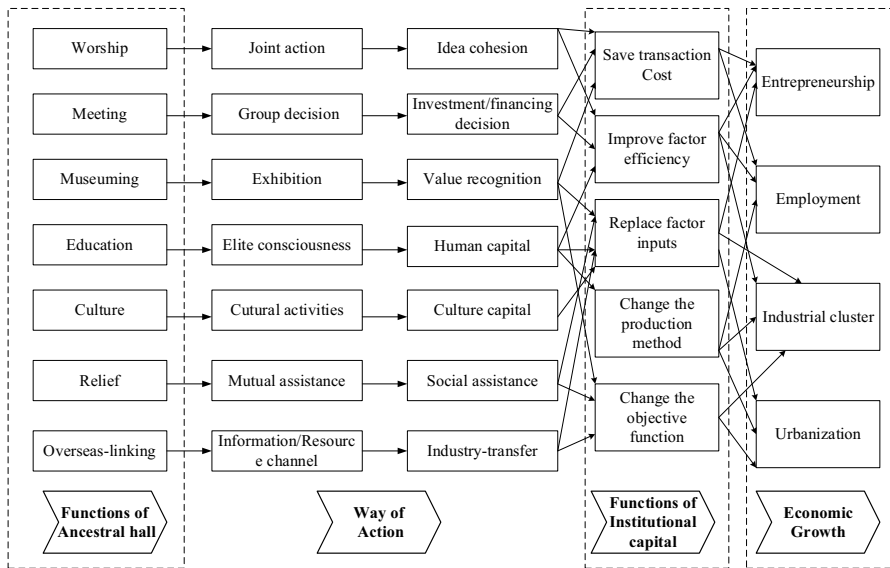


Fig. 1 The institutional capital logic of the role path of an ancestral hall to promote economic growth

maintained good interaction in the reconstruction and protection of the ancestral halls. Fujian Province participated in the international trade system very early in world history. It was an important starting point of the ancient Maritime Silk Road. Therefore, Fujian’s ancestral halls have a solid commercial gene. Fujian Province is a major province in imperial examinations after the Southern Song dynasty, with many high-rank imperial scholars in the Ming and Qing dynasties. Many ancestral halls have the functions of academies and have excellent cultural genes. Fujian Province is a well-known hometown of overseas Chinese. Its overseas clan relationships based on ancestral halls are spread worldwide, reflecting the compatibility of Chinese traditional culture and modern commercial civilization. These features constitute why the ancestral halls in Fujian Province are selected as the research object in this paper.

The research of Fujian Province’s 1–9 provincial heritage protection lists found that the provincial heritage protection lists had added an increasing number of ancestral halls over the previous two decades. Local governments and clan members are highly involved in the conservation of ancestral halls. The extensive historical attributes of ancestral halls on the provincial heritage protection list and the behavioral characteristics of ancestral hall conservation demonstrate the halls’ typical value for this paper’s study. Additionally, endogenous difficulties are raised because the construction of ancestral halls by entrepreneurs returning to their hometowns is causally related to economic growth. Thus, the selection of ancient ancestral halls contributes to resolving the issue of their mutual interference. The impact of ancestral hall data on economic growth is explored in-depth via linear regression.

Firstly, the benchmark model between economic growth performance and the number of ancestral halls with size of individual buildings is first established as:

$$Y = \beta_1 \times \text{Num} + \beta_2 \times \text{Size} + \mu \quad (1)$$

where Y is the explained variable, this paper uses the logarithm of four indicators to represent the local economic growth performance:

- The number of enterprises
- The number of employees in enterprises
- The number of industrial enterprises above the scale
- The urbanization rate of the township in which it is located

These indicators are $\ln Firm$, $\ln Employee$, $\ln Bigfirm$, and $Urbanrate$. Number and size are two fundamental explanatory variables drawn from the provincial heritage protection list to represent the *number* and *size* of ancestral halls in the respective township in which they are located.

Second, this paper compiles the attribute variables used to define the institutional shaping function of the ancestral hall. Seven items summarize the institutional shaping functions of ancestral halls (see the data, variables, and descriptive statistics section below for details). Since some functions of the ancestral halls were gradually lost during evolution, we set the value of 1 for showing the function and 0 for not showing the function. The data for the explanatory variables were accumulated. The ancestral hall's institutional shaping function and economic growth performance are modeled using functional analysis:

$$\begin{aligned} Y = & \theta_1 \times \text{Worship} + \theta_2 \times \text{Meeting} + \theta_3 \times \text{Museum} \\ & + \theta_4 \times \text{Relief} + \theta_5 \times \text{Education} \\ & + \theta_6 \times \text{Culture} + \theta_7 \times \text{Overseaslink} + \sigma \end{aligned} \quad (2)$$

As in the first stage, the indicators of the explanatory variables are chosen from among them. The seven institutional shaping functions of the ancestral hall serve as the primary explanatory variables, with the total results of each of the seven institutional shaping functions being chosen. The σ denotes the other effects on economic performance.

Variable Selection

The variables are derived from data on township areas in Fujian Province's counties, and the data are compiled using the township administrative area as a single unit.

The Explained Variables

The explained variables in this paper are the logarithms of the following four indicators of economic growth: the number of enterprises, the number of employed persons, the number of industrial enterprises above the scale, and the rate of urbanization.

No	Variable	Indicator	Meaning	Notes
1.1	Number of enterprises	InFirm	Reflects the region's economic vitality and the entrepreneurship/business activities of entrepreneurs	The area's business environment is a vital prerequisite for entrepreneurship, and it influences entrepreneurship via property rights guarantee and factor export. The business environment and entrepreneurial behavior together measure the level of economic growth of a region
1.2	Number of employees in enterprises	InEmployee	Usually indicates the degree of total employment in a region	For rural areas, it is an essential measure of the surplus labor force entering non-farm production. It has a necessary impact on the increase of farmers' income, the change of rural consumption structure, and the reduction of rural poverty. The higher the number of employed people, the stronger the ability of a place to attract employment in non-farm fields and the higher the level of economic growth
1.3	Number of industrial enterprises above the scale	InBigfirm	Is a crucial material production sector and has apparent advantages in providing raw materials, energy, technical equipment, and arranging labor force employment	In rural areas, industry, on the one hand, creates non-farm employment and is an essential factor in changing the labor structure in agricultural areas. On the other hand, it can improve agricultural production conditions, increase agricultural production efficiency, and promote sustainable agricultural development. The number of industrial enterprises is the primary reference factor to measure the potential of economic growth of a region

No	Variable	Indicator	Meaning	Notes
1.4	Urbanization rate of the township in which it is located	Urbanrate	Is the proportion of the urban population to the total population (both agricultural and non-agricultural) in the area	Urbanization is the result of industrial agglomeration and the spatial concentration of population, which implies a concentration of infrastructure levels and human capital for local economic growth. A higher urbanization rate implies a higher level of local placement of labor rate employment. The increase of urbanization in rural areas will weaken the large-scale spatial transfer of labor force and capital to big cities and keep the capital factors needed for economic growth in the local area

Explanatory Variables

The model design of this paper involves two steps: in the model (1), the explanatory variables are the numbers of ancestral halls and the floor area of ancestral halls, and in the model (2), the explanatory variables are the seven functions of ancestral halls, with the following meanings:

Explanatory Variables in Model (1)

No	Variable	Indicator	Meaning	Notes
2.1.1	Number of ancestral halls	Number Ancestral hall	Reflects the number of ancestral halls in the provincial cultural heritage in the area the number of ancestral halls in the provincial cultural heritage in the area	Usually, only one clan of the family name is on the provincial protection list in the area. The higher the number, the more clan relations of multiple surnames exist in the area. The number of ancestral halls presents both blood and geographic characteristics, and the number of ancestral halls also reflects the strength of the possibility of cross-regional clan network connection

No	Variable	Indicator	Meaning	Notes
2.1.2	Building area of ancestral halls	Build Ancestral hall	Is the total building area of ancestral halls in the region’s provincial cultural heritage protection list	The larger the building area, the more extensive the range of activities in the ancestral hall, and the more complex and functional the spatial structure. Ancestral halls with a large building area often have related facilities such as a study hall and a theater. The building area of the ancestral hall is an important symbol of the functional output of the ancestral hall

Explanatory Variables in Model (2) There are many functions of ancestral halls, and combine their historical functions, evolved functions, and economic growth, this paper classifies the existing functions into seven functions.

No	Variable	Indicator	Meaning and notes
2.2.1	Worship function	Worship	Ancestral halls enshrine ancestral tablets and are spiritual centers within the clan that are condensed by blood ties. The ancestral hall is the primary place for clan worship. The worship function is the most basic and vital function of the ancestral hall, and other functions are derived from this function. Via worship activities, clan contacts such as searching for ancestors are strengthened, and clan unity and cohesion are enhanced
2.2.2	Discussion function	Meeting	The ancestral hall is a central deliberative body within the clan. It gives full play to the leaders and prestige of the clan and democratic consultation procedures in terms of essential matters of strong clan-wide relations, arbitration of intra-clan issues, and centralized handling of extra-clan matters, and it is an essential complement to formal organizations such as village committees in dealing with rural affairs
2.2.3	Collection function	Museum	On the one hand, the ancestral hall treasures and compiles genealogy, an essential tool for identification and identity within the clan. It records blood relatives, generations, family rules, family laws, and other circumstances and genealogy in biographies, treatises, charts. On the other hand, ancestral halls also display the advanced deeds of ancestors and outstanding clan members, and some of them are also patriotic education bases

No	Variable	Indicator	Meaning and notes
2.2.4	Relief function	Relief	Ancestral halls stimulate elite education under the imperial examination system and run schools; many of them also study halls or private schools and even serve as a place of exchange for ancient intellectuals in ancient times. In the new era, ancestral halls have inherited this tradition to stimulate the development of education within the clan via the ancestral hall education fund and other forms
2.2.5	Educational function	Education	Ancestral halls have a solid cultural function because of their material assets such as plaques and carvings, cantor numbers, and intangible cultural heritage such as customs and rituals. Many ancestral halls have public cultural and recreational facilities such as theatres and folklore activities such as drum and lion and firework performances, which is significant for cultural development in rural areas
2.2.6	Cultural function	Culture	The relief function of ancestral halls has been historically transformed from social relief to intra-clan relief, providing relief to poor or disadvantaged families via the intra-clan mutual aid form. Due to the long-term interaction from blood relations, ancestral halls have shown apparent performance in helping the empty nesters, helping the children of low-income families in education, and helping the labor force in employment
2.2.7	Overseas-linking function	Overseas link	Ancestral halls are an essential link of geo-relations based on blood relations. The clan members move all over the country and even the world. Many overseas Chinese and entrepreneurs search for their ancestors and connect with their deceased congregations via ancestral halls, which is an important channel to maintain the flow of information and resources within the clan

Control Variables

Considering the unbalanced economic growth of the coastal and mainland counties in Fujian Province, the analysis process using model (2) treats the county's coastal or non-coastal as a control variable in part of the data processing, where coastal is "1" and non-coastal is "0," and the variable is not controlled as "/."

Data Source

This paper makes extensive use of excerpts from the "County Statistical Yearbook, Township Volume in 2018" (hereafter referred to as the "Township Volume") and the "Fujian Province 1–9 Provincial List of Cultural Heritages under Protection" (hereafter referred to as the "Protection List"). First, the "Township Volume" provides a relatively comprehensive indicator of the township's economic growth, while the "Protection List" serves as an ancestral hall with the

capacity to shape institutions. Finally, this paper sorts the regression samples, and Table 1 summarizes the major descriptive statistics:

Statistical Reliability and Validity Analysis

Reliability Analysis

The reliability analysis of the ancestral hall functional data yielded the results shown in Table 2. The reliability coefficient value is 0.843, which is greater than 0.8, indicating that the reliability of the ancestral hall function data is guaranteed. The reliability coefficient values of the removed analyzed items did not improve significantly, and all data should be retained.

Validity Analysis

The results of the validity analysis of the ancestral hall function are shown in Table 3. The KMO value was 0.856, which was greater than 0.6 and passed Bartlett's sphericity test; the cumulative variance explained after the turn was $69.708\% > 50\%$, and the information could be extracted effectively, and the AVE value was 0.587, which was greater than 0.5, showing good convergent validity, thus verifying the validity of the data.

Empirical Results and Analysis

Regression Analysis of the Basic Model

We analyze the impact of the number of ancestral halls and building areas on economic growth using the benchmark model. Based on formula (1), we extract data about ancestral halls from the "Township Volume" and "Protection List." Due to the significant difference in the area and number of ancestral halls, the independent variables are tested for their influence using a univariate regression model. Table 4 and 5 detail the specific regression results.

The model is significant at the 0.1 level, as demonstrated by the results. It indicates that the ancestral hall, which exists in Fujian as a provincial-level Cultural Heritages protection list, has a sizable economic impact on Fujian townships. On average, townships with a high density of ancestral halls have higher economic growth indicators than those with a low density. The number of ancestral halls reflects the strength of the ancestral hall distribution network in rural areas. The study finds that the greater the number of ancestral halls, the more developed the local clan relationship network and the greater the clan network's diversity. During the research, both Zheng's ancestral hall and Dai's ancestral hall in Xindu Town, Putian, were discovered to be Cultural Heritages protection lists in Fujian Province. They established a coordination agency—Gonganshe in collaboration with the village's other three

Table 1 Variable definitions and descriptive statistics

Variable name	Variable interpretation	Sample size	Minimum	Maximum	Mean	Standard deviation
<i>Firm</i>	Number of township enterprises	918	1.00	5560	324.82	661.75
<i>Employee</i>	Number of employees in <i>Firm</i>	918	5.00	91,745	6,232.09	11,869.85
<i>Bigfirm</i>	Number of enterprises above <i>designated</i> size in the <i>Industry</i>	826	0.00	219	14.55	22.98
<i>Urbanrate</i>	Urbanization rate	921	0.00	1	0.29	0.29
<i>NumberAncestralhall</i>	Number of provincial Cultural Heritages ancestral halls	926	0.00	16	0.16	0.72
<i>Build Ancestral hall</i>	Floor area of ancestral halls of each unit	926	0.00	8610	49.69	355.41
<i>Worship</i>	Worship function	926	0.00	1	0.10	0.31
<i>Meeting</i>	Discussion function	784	0.00	1	0.01	0.11
<i>Museum</i>	Collection function	926	0.00	1	0.06	0.24
<i>Relief</i>	Relief function	857	0.00	1	0.01	0.10
<i>Education</i>	Educational function	915	0.00	1	0.05	0.23
<i>Culture</i>	Cultural function	926	0.00	1	0.04	0.19
<i>Overseas link</i>	Overseas-linking function	825	0.00	1	0.06	0.23

Table 2 Cronbach's reliability analysis

Name	Total correlation of calibration items (CITC)	The deleted α coefficient	Cronbach's α coefficient
<i>The seven functions of the ancestral hall</i>	84.7%	15.3%	0.843

ancestral halls. Via township regulations and folk agreements' development, the village's surname can coexist peacefully, and rural governance's transaction costs have been significantly reduced. Thus, hypothesis 1 is confirmed, and as a result:

[Proposition 1]: The more ancestral halls there are, the more diverse the clan relationships between different surnames are, and the more conducive to economic growth

The larger the building area of the ancestral hall, the larger the building scale and complexity of the ancestral hall, and the more complete its function. For instance, the Taiyu Chen's ancestral hall in Jianxin Town, Fuzhou, and the Liu's Family Temple in Tingzhou Town, Longyan, are large-scale structures that integrate the academy, and memorial hall, institutionalizing the inheritance of traditional values based on ancestral rules, ancestral instructions, and ancestor worship. It is easier to form consensus within the ancestral group when shared values are strengthened. It is also easier to produce elite talents within the ancestral group when shared values are strengthened. For example, Tan Kah Kee, a Fujian merchant, is a descendant of the Chen family in Jimei. Thus, Hypothesis 2 is confirmed, and the following results are obtained:

[Proposition 2]: The larger the scale of the ancestral hall, the more comprehensive its function and the greater its capacity for reshaping, both of which are conducive to economic growth

Additionally, as a result of the ancestral hall's internal institutional shaping ability and the strength of its network, the elites of various clans in Fujian Province created not only the largest ancestral hall complex but also a global network of Fujian merchants in modern times.

The ancestral hall organization's network strength and the ancestral hall's ability to shape institutions are combined to create a multiplier effect, allowing institutional resources within the ancestral group to be shared among ancestral groups, thereby promoting regional economic growth.

Regression Analysis of Functional Model

How do the ancestral hall organization's network strength and institutional shaping capacity affect the regional economy? Assume that it is related to the ancestral hall's

Table 3 Factor analysis

Name	KMO value	Cumulative variance explained rate	Significance	AVE value rate
The seven functions of the ancestral hall	0.856	67.347%	0 0.000	0 0.587

function. This section analyzes the ancestral halls’ roles holistically and then decomposes each function to explore its mechanism of formation.

Overall Regression Analysis of Ancestral Hall Function

Using data from the Township Volume and the Protection List, this study explores the impact of ancestral halls’ role on overall economic growth using multiple linear regressions. Table 6 summarizes the regression results. At a level of 0.1, the ancestral hall function considerably affects the number of local enterprises and urbanization level. When control factors are included, the ancestral hall function considerably affects the employed population in coastal areas and the number of industrial enterprises above the scale in the non-coastal areas.

Hypothesis 3 is verified, as seen in Table 6, as follows:

The Impact of the Overall Function of Ancestral Halls on Entrepreneurship

The results in Table 6 show that the function of ancestral halls significantly affects the number of enterprises, indicating that the physical presence of ancestral halls as an informal institution has a positive supporting effect on entrepreneurship. In institutional capital theory, the institutional capital of entrepreneurs is divided into

Table 4 Regression results of the number of ancestral halls and the level of economic growth

Explained variable	(1) <i>lnFirm</i>	(2) <i>lnEmployee</i>	(3) <i>lnBigfirm</i>	(4) <i>Urbanrate</i>
<i>Number Ancestral hall</i>	0.1158 1.771	0.1382 1.9339	0.1646 2.0136	0.0540 4.1011
<i>R</i>	0.059	0.064	0.07	0.134
<i>F</i>	3.1582	3.7398	4.0548	16.8187
<i>P</i>	0.076	0.053	0.044	0.0000

Table 5 Regression results of ancestral hall construction area and economic growth level

Explained variable	(5) <i>lnFirm</i>	(6) <i>lnEmployee</i>	(7) <i>lnBigfirm</i>	(8) <i>Urbanrate</i>
<i>Build Ancestral hall</i>	0.0003 1.9742	0.0003 2.0699	0.0002 1.866	0.0001 2.0013
<i>R</i>	0.065	0.068	0.065	0.066
<i>F</i>	3.8973	4.2847	3.482	4.005
<i>P</i>	0.049	0.039	0.062	0.046

four categories: geo-capital, political capital, cognitive capital, and literacy capital (Ayoungman & Zhao, 2019; Ayoungman & Sang, 2019). The ancestral hall is the center of the clan relationship network, the product of the mutual collection of blood and geopolitical ties. Blood ties are more essential relationship ties than geopolitical ties in rural society. By participating in ancestral hall activities, entrepreneurs can better enrich geo-capital and integrate entrepreneurial resources via the blood relationship. Entrepreneurs must deal with government policies well to stand firm in the market competition, and government policies on rural governance need to be supported by villagers. Entrepreneurs' participation in ancestral activities to gain the support of clan members can assist in better implementation of the government's governance policies. It is even more critical when clan members are members of the government or villagers' self-governing bodies. In the process, entrepreneurs gain political capital. The elites in the clan have rich experience in dealing with clan affairs within the daily community and have a better grasp of the local customs than the entrepreneurs. By participating in ancestral hall activities, entrepreneurs can establish a better benefit and information sharing mechanism with the clan elites, thus improving their analytical and decision-making ability, which is also a kind of cognitive capital accumulation. At the same time, the traditional Chinese virtues contained in the ancestral rules and the spirit of the clan's agricultural society worshipped inside the ancestral halls can stimulate the entrepreneurial spirit and provide literacy capital for entrepreneurs to start their businesses.

The Effect of the Ancestral Hall's Overall Function on Employment

The impact of clans on employment is reflected in two aspects: on the one hand, ancestral halls provide more job opportunities by promoting the number of enterprises as mentioned above. At the same time, ancestral hall organizations cooperate with the government and promote establishing projects, which also increases employment opportunities. On the other hand, ancestral halls have the robust and cohesive effect of clan networks, and clan members have the responsibility to help other members within the clan. Its advantages in terms of information and benefit-sharing, as well as risk-sharing, are apparent. Clan members share job opportunities, provide financial and moral support to unemployed members, and provide hands-on training to unemployed members. In addition, the traditional moral standards preached by the clan and the workplace ethics have great consistency. It is subliminally transforming the moral quality of clan members, and to a certain extent, it also reduces the transaction cost of entering the labor market.

In summary, clan halls impact employment in terms of job opportunity provision, employment support, and worker quality development. The results in Table 6 show that ancestral halls in coastal areas have a significant effect on this indicator, indicating that ancestral halls in coastal areas significantly contribute to the integration of labor resources. The coastal areas of Fujian Province have good natural resources and convenient infrastructure. The open spirit of the coastal region is conducive to the introduction of foreign investment, the development of overseas trade, and the promotion of industrial landing. Together with these factors, the ancestral halls have contributed to the increase in employment. From the experience of coastal areas,

as some industries in Fujian Province move to the non-coastal region and the level of infrastructure in the non-coastal region, fully exploiting the institutional capital function of ancestral halls will better promote employment in non-coastal areas.

The Overall Impact of Ancestral Hall Functions on the Level of Industrial Agglomeration

The results in Table 6 show that ancestral halls significantly affect the number of industrial enterprises above the scale in non-coastal areas. Industrial agglomeration is the result of the concentration of many factors, such as resource endowment, cost advantage, and talent. Institutions, as incentives in coastal areas, create continuous incentives for individual behavior in agglomeration areas. As a supplier of informal institutions, clans provide moral norms, credit environment, and social customs for industrial enterprises to settle and develop in the local area. Fully mobilizing the ability of ancestral halls to shape the behavioral habits of clan members can provide an excellent social trust system for industrial agglomeration and reduce the transaction costs for industrial enterprises to settle in the local area. Ancestral halls have a strong integrating power for clan relationship networks. This integration power can more conveniently include the clan’s internal members, officials, entrepreneurs, scholars, and scientific and technological experts in the process of

Table 6 Regression results of the overall function of the ancestral hall and economic growth

Dependent variable	(9) <i>lnFirm</i>	(10) <i>lnEmplo yee</i>	(11) <i>lnEmplo yee</i>	(12) <i>lnEmplo yee</i>	(13) <i>lnBig firm</i>	(14) <i>lnBig firm</i>	(15) <i>lnBig firm</i>	(16) <i>Urban rate</i>
<i>Worship</i>	-0.0685 -0.2067	-0.4314 -1.1964	-1.0436 -1.1662	0.0357 0.1067	0.3141 1.0666	0.6959 0.8457	0.4365 1.5466	0.0930 1.4670
<i>Meeting</i>	1.0048 1.9017	1.1454 1.9939	2.2095 2.2282	0.6597 1.0494	0.4115 0.9279	1.239 1.6056	-0.1772 -0.3466	0.1463 1.4485
<i>Museuming</i>	0.8255 2.4130	0.8914 2.3967	1.465 1.9791	0.6469 1.6297	0.2595 0.8546	-0.2196 -0.3335	0.5640 1.6771	0.1240 1.8959
<i>Relief</i>	0.6300 1.0231	0.4202 0.6277	0.6793 0.7307	-0.5919 -0.5791	0.5419 1.0418	0.5652 0.776	0.7447 0.8889	0.1379 1.1713
<i>Education</i>	-0.2003 -0.5844	-0.0948 -0.2543	0.1151 0.1605	-0.4605 -1.2158	-0.2482 -0.8067	-0.4713 -0.7439	-0.1946 -0.6164	-0.0033 -0.0505
<i>Culture</i>	-0.1942 -0.5214	-0.0826 -0.204	-1.6490 -2.3587	0.9032 2.0154	-0.0468 -0.139	-0.6043 -0.9767	0.1003 0.268	0.0422 0.5922
<i>Overseas link</i>	-0.2317 -0.6993	-0.1213 -0.3368	0.3261 0.4582	-0.2603 -0.6554	-0.3158 -1.0747	-0.2579 -0.4088	-0.6415 -1.9109	-0.1090 -1.7216
Control variablesea	/	/	1	0	/	1	0	/
R	0.1340	0.1190	0.2060	0.155	0.0990	0.1290	0.1738	0.1980
F	1.9938	1.5688	1.9560	1.5789	0.9508	0.6578	1.7757	4.4733
P	0.0530	0.1410	0.0610	0.1400	0.4660	0.7080	0.0906	0.0000

“* Control variable sea” indicates whether the county to which the town belongs is coastal or not. “1” means coastal, “0” means non-coastal, and “/” means no control

industrial agglomeration. These elites have significant influence and an open social network in their respective fields, which can maximize the gathering of resources and form the basis for entrepreneurs' allocation of local resources. Ancestral halls have a strong role in blood, and geo-bonding of substantial comes an essential tool for entrepreneurs to consider when investing. The crucial factors of entrepreneurs' growth, kinship, and hometown feel are essential drivers of industrial transfer. In addition, clan organizations centered on ancestral halls are a significant social force that can restrain and supervise counterfeiting, environmental pollution, and short-term speculative behavior of free-riders in the process of industrial agglomeration, thus maintaining the healthy development of industrial agglomeration. At the same time, industrial agglomeration implies the integration of upstream and downstream resources, and the social relationship network such as family ties (Mertzanis, 2019) linked by the shrine facilitates the establishment of a long-term trustful cooperation mechanism in the industrial value chain. Since our data sample is taken from county data, and large cities such as Fuzhou, Xiamen, Zhangzhou, and Quanzhou in coastal areas have a siphon effect on economic resources, and industrial enterprises above the scale are concentrated to them, this reason offsets the effect of ancestral halls on the number of industrial enterprises above the scale.

The Impact of the Function of Ancestral Halls on the Level of Urbanization

Due to the influence of the informal institution formed by ancestral halls, the increase in the number of enterprises promotes industrial development. Towns are formed where industries are concentrated, and village enterprises are further concentrated in town areas, thus driving surplus labor and their family to towns. The study discovered that the clan network has a significant impact on the employment of couriers, security guards, medical personnel, courier attendants, and housekeeping service personnel in the service. The data sorting reveals that townships with numerous ancestral halls have a higher overall population concentration than townships with few ancestral halls, and the township population has surrounded even ancestral halls. The population concentration created by the ancestral hall network enables human capital and other resources to coexist for towns to develop. The integration of towns' construction and industrial development has resulted in the scale of urbanization continuing to expand. In transferring surplus rural laborers to urban areas, they face obstacles in terms of urban belonging, hometown feelings, and social security. The mutual collaboration among clan networks shaped by ancestral halls can help to reduce the impact of these aspects and thus facilitate their settlement in urban areas. According to Li (2012), rural revitalization should not be based on the mindset that "urbanization is only the process of farmers moving into cities" but should be based on develop new communities in rural area, which is part of urbanization. Ge et al. (2020) pointed out that the key to rural revitalization is to promote industrial transformation in rural areas to create more employment opportunities and attract out-migrants to return to their hometowns. The proper use of the ancestral hall network can also help promote new urbanization by creating a concentrated rural population. Many places have integrated the cultural resources of ancestral halls to create innovative areas of integrated development of culture and tourism.

Since the functions of ancestral halls are closely related, a Pearson correlation test is proposed for each function, as shown in Table 7. The results show that all functions are significantly correlated with each other, except for worship and relief. Thus, it verifies that the functions of the ancestral halls interact with each other, thus creating an overall significant impact on the corresponding indicators of economic growth. Thus, it is concluded that:

[Proposition 3] Ancestral halls, as informal institutions, not only have a significant impact on each various indicators of economic growth, but also are important moderating variables that promote rural revitalization with a large cumulative effect of institutional capital

Decomposition Regression Analysis of Ancestral Hall Function

This section breaks down the impact of ancestral hall functions on various indicators of economic growth into individual sections, with the regression results for each section.

The Effect of Ancestor Halls' Functions on Entrepreneurship

The results in Table 8 show that the three functions of worship, meeting, and museum significantly affect the number of enterprises (firm). Clan members interact with each other in ancestral worship activities, and they will have more communication. Via the sense of ritual, they will obtain psychological recognition from each other, from which they will reach collective action and ideological cohesion effect. The participation of entrepreneurs in ancestor worship activities and clan rituals demonstrates their charisma and helps them sort out their authority within the clan. Interaction with members within the clan in ancestor worship will enhance the entrepreneur's identification with the clan. On the other hand, the participation of elites within the clan due to worship activities will also expand the entrepreneur's social network. The worship interaction expands the clan family consciousness by rendering and exaggerating the illustrious history of ancestors, and this expanded collective consciousness becomes available social capital that transcends regionality, which generates a rich geo-capital aggregation effect.

An ancestral hall is an important place for group decision-making and the implementation of internal decisions within the clan. The elites within the clan join with other authority figures within the clan to form a deliberative organizational body, the clan council. The clan council focuses on coordinating internal and external conflicts of interest within the clan-based on the internal rules established by the ancestral rules. The development of clan organizations often requires the rich and realizable economic resources of entrepreneurs. By participating in clan deliberations and assuming clan obligations, entrepreneurs

maintain deeper contact with clan members and can better access entrepreneurial resources from within the clan.

Participation in clan affairs also gains information sharing, improves the entrepreneur's ability to search for resources and opportunities, and reduces the risk in business activities. Also, the consistency in interests and emotions between entrepreneurs and clan members in deliberative activities is conducive to gaining policy support, good social credit, and easier access to financing and project approval.

Ancestral hall is a museum carrying many histories, humanities, science, art, architecture, and folklore elements as a historic building. It holds material assets such as plaques and carvings, hall numbers, and intangible cultural heritage such as family rules and instructions, clan system, customs, and rituals. These assets constitute ethical norms that inherit traditional virtues and shape clan members' rules of behavior, including entrepreneurs, stimulating entrepreneurial spirit, and restraining entrepreneurial behavior. These norms can also positively promote the format of the fundamental ethical norms of "patriotism and law-abiding, courtesy and honesty, unity and friendliness, diligence, thrift and self-improvement, and dedication to work" today. Many ancestral halls have been declared patriotic education bases, forming clan, and government public cultures. Several clans have displayed their own entrepreneurial and donative deeds in their ancestral halls to stimulate their sense of social honor. Via the expansion of public cultural space, the ancestral halls become an excellent window to show the interaction between clan relations, government policies, and entrepreneurial ventures.

In summary, these three factors together influence entrepreneurship at spiritual beliefs, relationship networks, and spatial entities, respectively. First, the spirituality of the ancestral halls has a high sense of responsibility and inspires entrepreneurship among the elites within the clan. Second, ancestor worship activities and deliberations of clan elites gain natural social capital trust among clan members provide good soil for entrepreneurial ventures. Third, ancestral halls as public

Table 7 Pearson correlation test of ancestral hall function

	<i>Worship</i>	<i>Meeting</i>	<i>Museum</i>	<i>Relief</i>	<i>Education</i>	<i>Culture</i>	<i>Overseas link</i>
<i>Worship</i>	1						
<i>Meeting</i>	0.309 **	1					
<i>Museum</i>	0.749 **	0.260 **	1				
<i>Relief</i>	0.283 **	-0.010	0.225 **	1			
<i>Education</i>	0.702 **	0.279 **	0.621 **	0.296 **	1		
<i>Culture</i>	0.543 **	0.114 **	0.484 **	0.392 **	0.530 **	1	
<i>Overseas link</i>	0.715 **	0.182 **	0.625 **	0.259 **	0.497 **	0.449 **	1

**Significantly correlated at the 0.01 level (bilateral)

cultural spaces provide entrepreneurs with political capital, thus gaining policy support and promoting entrepreneurial activities. This yields the following:

[Proposition 4] Via its three functions of worship, meeting, and museum, the ancestral hall supply informal institutions that fosters entrepreneurship in rural areas

The Effect of Ancestral Halls' Functions on Employment

The results in Table 9 show that the three functions of worship, meeting, and museum significantly affect the number of employed people. The increase of the employed population is influenced by the increase of employment opportunities and the quality of workers. Employment information and opportunities are provided by the labor market and social networks in rural areas more often. The impact of ancestral halls on employment is mainly since ancestral halls strengthen clan social networks.

Due to the influence of Chinese vernacular social traditions, geography and blood ties play an important role in producing production factors. Ancestral hall worship rituals are an interactive participation process for members within the clan, in which participation leads to more contact and communication with each other, resulting in better employment sharing opportunities. The process of ancestral rituals is fraught

Table 8 Test results of the functions of ancestral halls and the number of enterprises

Dependent variable	(17) <i>LnFirm</i>	(18) <i>LnFirm</i>	(19) <i>LnFirm</i>	(20) <i>LnFirm</i>	(21) <i>LnFirm</i>	(22) <i>LnFirm</i>	(23) <i>LnFirm</i>
<i>Worship</i>	0.2920 1.9057						
<i>Meeting</i>		1.1871 2.3930					
<i>Museum</i>			0.6059 3.114				
<i>Relief</i>				0.6715 1.2933			
<i>Education</i>					0.3261 1.5654		
<i>Culture</i>						0.1542 0.6081	
<i>Overseas-link</i>							0.2428 1.1061
<i>Control variable sea</i>	/	/	/	/	/	/	/
R	0.1450	0.0860	0.1020	0.0440	0.0520	0.0200	0.0390
F	3.6316	5.7263	9.697	1.6726	2.4504	0.3698	1.2234
P	0.0570*	0.0170*	0.0020*	0.1960	0.1180	0.5430	0.2690

with the effects of uncertainty, allowing for constant interaction and negotiation of creativity among group members, fostering a spirit of teamwork, and objectively fostering the quality of group members, which is conducive to improving the quality of employment.

Local clan organizations exert an important influence in the process of government economic policies and entrepreneurial project landing. Wang (1999) had stated that the Chen clan elite asked the Hong Kong boss to hire 100 local village workers when Hong Kong businessmen invested in local projects, or else the villagers would be mobilized to boycott, thus achieving the purpose of reaching employment members within the clan. The clan organization enhances the negotiation power with the business owner via the deliberative body like the ancestral hall, which leads to employment.

Since the ancestral hall is the typical treasured window of clan culture and government public culture, it improves the quality of clan members to motivate clan members to work hard and get rich (Zhang, 2020); it also allows clan members to understand the national guidelines and policies better and clarify the direction of employment.

In summary, these three factors together, in worship and meeting. Ancestral halls increase the sharing of information on work opportunities by influencing the clan network on the one hand, and on the other hand, ancestral halls intervene in rural economic activities as administrative bodies, directly influencing employment. Furthermore, the museum function of ancestral halls is mainly to promote employment by opening up clan cultural space to government public cultural space and access to external policy information. It follows that,

[Proposition 5] Via direct and indirect relationships, the functions of meeting, museum provide informal institutional support for promoting employment opportunities for rural residents

The Effect of Ancestral Halls' Functions on Industrial Agglomeration

The results in Table 10 show that the four functions of Worship, Museum, Education, and Culture significantly affect industrial agglomeration (Big firm).

The formation and development of above-scale firms are driven by a combination of resource endowment, talent aggregation, cost advantage, and institutional innovation. There is no substitute for the role of informal institutions in their development process. Clan organizations hold regular ancestral rituals via ancestral halls and reshape the leadership of ancestral halls within the clan, making clan members more inclined to share resources and assume responsibilities. It provides informal institutional safeguards such as moral codes, social credit, and social ethos to develop above-scale enterprises. In the development process, above-scale enterprises often involve land acquisition, demolition, and use of local natural resources. Negotiations with individual residents are often characterized by high cost and effectiveness and often require the presence of clan elites to coordinate. Ancestral halls are a channel for clan elites to exert influence. Ancestral halls reduce the transaction costs of lowering enterprises and promote the concentration of resources to enterprises.

Because of its museum function with both traditional and modern values, the ancestral hall becomes a base for patriotic education. It often becomes a place for officials and entrepreneurs to look up to and learn from. The flow of resources brought about by population movement integrates resources across regions and accumulates resources to develop above-scale enterprises. At the same time, the flow of resources also enables enterprises to obtain better external contacts and broaden the trust established by enterprises upstream and downstream of the industrial chain based on long-term cooperation, thus promoting the growth of above-scale enterprises.

Ancestral halls have often historically served the function of running schools, and many of them also functioned as study halls. Ancestral halls shaped members within the clan to become social elites, and these elites had great influence in building society and feeding the clan, producing a win–win outcome for both ancestral hall gains and social gains. Many ancestral halls also maintain the tradition of raising schools, and many have educational funds to reward children admitted to universities and support the schooling of children from families in need. There are also ancestral halls that raise funds internally or outside to help with scholarships and grants. The clan elites shaped by the ancestral halls can provide the technology, management experience, and policy support needed for above-scale enterprises.

Table 9 Ancestral hall functions and employment population

Dependent variable	(24) <i>lnEmployee</i>	(25) <i>lnEmployee</i>	(26) <i>lnEmployee</i>	(27) <i>lnEmployee</i>	(28) <i>lnEmployee</i>	(29) <i>lnEmployee</i>	(30) <i>lnEmployee</i>
<i>Worship</i>	-0.0498 -0.1549						
<i>Meeting</i>		1.7128 1.9231					
<i>Museum</i>			0.6148 1.4887				
<i>Relief</i>				-0.0061 -0.0084			
<i>Education</i>					0.2077 0.5016		
<i>Culture</i>						-0.6999 -1.4139	
<i>Overseas link</i>							0.1498 0.3640
<i>Control variable sea</i>	1	1	1	1	1	1	1
R	0.1450	0.0860	0.1020	0.0440	0.0520	0.0200	0.0390
F	3.6316	5.7263	9.697	1.6726	2.4504	0.3698	1.2234
P	0.0570	0.0170	0.0020	0.1960	0.1180	0.5430	0.2690

Many ancestral halls have theatres, and local performances, wedding banquets, birthday celebrations, and other cultural folklore are held within the ancient theatres. The clans often have dragon and lantern dances, drum and lion performances, and other activities at festivals. Enterprises above the scale participate in the sponsorship of activities, there is the integration of enterprises into the local community, reducing the transaction costs of enterprises. Also, in many areas, these folklore activities are industries in themselves, and the gathering of such resources at ancestral halls has produced a large number of intangible cultural heritage craft enterprises.

In summary, the worship function strengthens the organization's internal unity and resource supply and facilitates enterprises' integration of its resources above the scale. The museum function facilitates enterprises to allocate resources centrally across regions and industries by expanding the clan relationship network outside the clan. The education function provides human capital to above-scale enterprises, while the culture function influences above-scale enterprises via the community. It follows that.

[Proposition 6] The ancestral hall integrates rural resources via its four functions of worship, museum, education, and culture, and serves as an informal institutional setting for rural industry agglomeration

The Effect of Ancestral Halls' Functions on Nearby Urbanization

The results in Table 11 show that all seven functions of ancestral halls significantly affect the urbanization rate. The worship activities strengthen the intra-clan and intergenerational solidarity of clan members and reinforce the sense of responsibility of clan members. When a member within a clan is employed and settled in a town, he or she tends to actively help fellow clan members find employment and settlement opportunities, which promotes the transformation of agricultural labor into non-agricultural labor and thus increases the urbanization rate. In addition, the living habits of rural residents carry a strong local imprint, and it takes a period to integrate into urban life, so kinship relations within the clan can enhance their continuity and stability in urban life.

Residents are required to participate in implementing urbanization programs, industrial land issues, and relocation plans. Negotiations with residents are time-consuming and costly due to the different specificities and interests faced by each resident. The meeting function of the ancestral hall serves as a bridge to the implementation of urbanization policies. By convening members of the clan elite for deliberation and balancing interests within the clan, the implementation of urbanization programs can be facilitated.

The museum function has a vital role in creating new communities, and the concentration of population in new communities helps urbanization. Moreover, traditional villages are concentrated around ancestral halls. Ancestral hall treasures inherit traditional virtues and often become a public cultural space, leading to a mobile gathering of officials, entrepreneurs, and tourists, and the gathering of population brings business opportunities and thus drives the urbanization of new communities.

Table 10 Functions of ancestral halls and industrial enterprises above designated size

Dependent variable	(31) <i>lnBigfirm</i>	(32) <i>lnBigfirm</i>	(33) <i>lnBigfirm</i>	(34) <i>lnBigfirm</i>	(35) <i>lnBigfirm</i>	(36) <i>lnBigfirm</i>	(37) <i>lnBigfirm</i>
<i>Worship</i>	0.4629 3.2633						
<i>Meeting</i>		0.1711 0.3567					
<i>Museum</i>			0.5992 3.3618				
<i>Relief</i>				0.6943 0.9365			
<i>Education</i>					0.4055 2.0465		
<i>Culture</i>						0.5397 2.1682	
<i>Overseas-link</i>							0.1911 0.9271
<i>Control variable sea</i>	0	0	0	0	0	0	0
R	0.1450	0.0180	0.1490	0.0440	0.0920	0.0970	0.0440
F	10.6494	0.1272	11.302	0.877	4.1881	4.7013	0.8596
P	0.0010	0.7220	0.0010	0.350	0.0410	0.0310	0.3540

In urbanization, the public goods provided by government finance are difficult to cover every corner, and the relief work of ancestral halls can complement government public goods. It plays an essential role in helping poor clan families to attend school and supporting the elderly under challenging families.

The education function helps clan members complete human capital accumulation and increase the chances of clan members being employed and settled in towns. On the other hand, it can also improve industrial production efficiency, promote industrial agglomeration, and create more job opportunities.

Cultural functions play an essential role in improving the quality of urbanization. Ancestral halls maintain a set of values, emotions, knowledge, and fascinating cultural systems. On the one hand, urbanization is the process of integrating rural residents into urban life, and preserving this function helps the urbanization process. In addition, ancestral hall culture is the gene pool of traditional culture, the essence that needs to be restored in the path of modernization. The urbanization process needs to maintain the value of these emotional ways and cultural psychology in today's society. The ancestral hall serves as the clan's "cradle" and a spiritual link to overseas Chinese. While tracing their ancestors, overseas Chinese frequently seek investment opportunities by reconstructing ancestral halls, bringing valuable resources from abroad back to their ancestral homes to form industrial clusters and promote urbanization. Greif and Tabellini (2017) discovered that Chinese immigrants have more strong family values than European immigrants

due to traditional values. Between 1979 and 2010, overseas Chinese investment was the primary source of FDI (Li, 2012).

In summary, ancestral halls' seven functions have been fully integrated into rural urbanization activities. It mobilizes material resources for urbanization in rural areas and provides urbanization activities with a social, cultural, and psychological identity. This results in,

[Proposition 7]: Via the integration of clan network resources, the accumulation of human capital, the provision of public goods, and the reshaping of values, the seven functions of ancestral halls contribute to rural urbanization

Sensitivity Analysis

Since population size is an important indicator of economic growth, especially under the aging population trend, population concentration is crucial to the sustainable development of the regional economy. The resident population indicator of the Township Volume was thus selected. The regression analysis of the number of ancestral halls, the construction area of ancestral halls, and the resident population of each township verified the stability of the empirical results of this paper, as shown in Table 12:

Table 11 Ancestral hall function and urbanization rate

Dependent variable	(38)	(39)	(40)	(41)	(42)	(43)	(44)
	Urbanate	Urbanate	Urbanate	Urbanate	Urbanate	Urbanate	Urbanate
<i>Worship</i>	0.1291 4.1773						
<i>Meeting</i>		0.2673 2.7922					
<i>Museum</i>			0.1864 4.7489				
<i>Relief</i>				0.2194 2.1541			
<i>Education</i>					0.1549 3.7055		
<i>Culture</i>						0.1530 2.9848	
<i>Overseas-link</i>							0.1009 2.3484
<i>Control variable sea</i>	/	/	/	/	/	/	/
R	0.1370	0.1000	0.1550	0.0740	0.12 20	0.0980	0.0820
F	17.4502	7.7964	22.5516	4.6401	13.7311	8.909	5.5148
P	0.0000	0.0050	0.0000	0.0320	0.0000	0.0030	0.0190

Discussion

This paper aims to reveal the influence of ancestral halls on entrepreneurial behavior and rural economic growth in rural areas. The results of the empirical analysis show that the number and construction area of ancestral halls positively impact economic growth and that the institutional shaping function of ancestral halls is closely related to the economic development of rural areas. It supports our conceptual framework and conceptual framework and theoretical hypotheses, It corroborates our conceptual framework and theoretical assumptions to a certain extent, which forms the basis for an ongoing inquiry into the economic impact of Chinese cultural elements in the microscopic realm.

The ancestral hall is a cultural heritage symbol in rural areas of China. It is the product of the development of China's agricultural economy and a Hicks-improved club organization formed under the traditional Confucian ritualistic society with the goal of Pareto-optimal equilibrium combined with clan lineage differential order (Landa, 1981; Carr & Landa, 2016). The rules of the ancestral hall club form an internal incentive and constraint mechanism within the clan, which in turn influences collective action within the clan, thus forming an institutional self-supply in collective action. These characteristics of the ancestral halls are compatible with the market economy, both in terms of goals and pathways, and they reflect a self-consistent functional evolution with the development of the economy. This feature also provides a perspective on the compatibility of traditional culture with modern economic growth. The construction of ancestral halls by entrepreneurs returning to their hometowns is precisely a response to their compatibility interaction.

In ancient China, ancestral halls served as the fundamental formal institution of rural villages, preserving the flexibility of rural governance and having a long-lasting positive effect on the rural economy. The role of the ancestral hall had been marginalized as the rural social structure had changed. Later, as Chinese culture was resurrected, the ancestral hall was reintroduced into the cultural vision. It results from the Chinese economy's self-correction mechanism and cultural norms evolving in lockstep (Jin, 2020). It is necessary to fully respect the cultural factors that underpin the existing institution when reforming it and constructing a new institution via reforming ideas and cultural concepts (Greif, 2000). Due to the lack of social consciousness and legal concept of citizens in rural areas, the market development in rural areas has relatively different characteristics from urban areas, and its ancestral hall as an informal system is conducive to coordinating and pooling various resources, which has an excellent complementary effect to the formal system. It has a significant institutional catalytic and institutional innovation function in grassroots society. Adequate governmental guidance on the behavior of entrepreneurs in rural areas to repair ancestral halls will play an essential role in promoting rural social governance and innovative activities of rural entrepreneurs and the evolution of rural institutions.

The empirical analysis also shows that how the institutional reshaping function of ancestral hall influence the entrepreneurial allocation and economic-making, which forms the reason why entrepreneurs go home to repair or rebuild it. Combined with

the results of the empirical analysis, ancestral halls influence rural economic activities in three ways.

First, ancestral halls participate in rural economic activities via seven functions forming informal institutions, which positively affect four items: entrepreneurial activity, rural non-farm employment, industrial agglomeration, and urbanization, respectively, and participate in each indicator to have positive effects on other indicators. Institutional capital plays an essential institutional function in saving transaction costs, improving factor efficiency, substituting factor inputs, improving production methods, and changing objective functions. At the same time, rural economic growth also positively affects clan activities represented by ancestral halls at the same time. As a long-term institutional rule supporting rural development, ancestral halls form a dynamic cycle system with rural economic growth.

Second, the information and resource flow mechanism based on the clan network constructed by the institutional capital of the ancestral hall is conducive to the development of the rural economy. In the analysis of the communal dilemma, Ostrom et al. (1993) had pointed out that informal constraints in the form of stable social relations formed by long-term social interactions in the community are more effective than official external institutional rules. Before the establishment of informal rules, informal constraints were able to ensure that society functioned as usual (Kong, 1982). Before the establishment of informal rules, informal constraints were able to ensure that society functioned as usual. Before the reform and opening up, low-income families in Fujian were helped in various ways by overseas Chinese, especially overseas Fujianese, via unofficial channels. The implicit cultural ties produced a convenient trade channel and financial aid channel at home and abroad. Moreover, after the reform and opening up, many overseas Chinese returned to their hometowns to start their businesses while setting off a boom in ancestral hall visits in the Fujian-Guangdong region. The return of Chinese to their hometowns initiated and participated in the global shift of manufacturing supply chains to China. Similarly, the current entrepreneurs' return to their hometowns to transfer capital accumulated in the cities to the countryside is also the result of using the ancestral hall network system under the market mechanism. Ancestral halls provide a social network capital that expands regional geopolitical mobility. This type of social capital has the potential to alleviate poverty while facilitating the acquisition of information and financing necessary to effect agricultural market transformation (Rockenbauch et al., 2019).

Table 12 Sensitivity analysis

Explained variable	Population	Population
<i>Number of Ancestral hall</i>	5347.248	
	3.696	
<i>Build Ancestralhall</i>		7.139
		2.425
R	0.121	0.080
F	13.658	5.883
P	0.000	0.015

Thirdly, as an endogenous informal institution in rural areas, ancestral halls have fostered economic growth by bridging the gap between the formal institution provided by the government and the corporate institution represented by entrepreneurs., which was discussed by (Provance et al., 2011) as the merging of politico-institutional and socio-institutional dynamics. Aoki (2001) emphasizes that institutions are the cohesion of shared concepts and that institutional changes can only be implemented stably with the consensus of all participants. There is no doubt about the importance of government policies on rural revitalization. It is costly for government policies to be implemented from the top-down by a particular authority, and government policies require the synergy of rural residents and the market. Zhang et al. (2019) noted that business and political networks influence entrepreneurial innovation and entrepreneurial activity via cognitive capital and institutional support. Formal institutions, informal institutions, and vital institutional players influence the way policies are designed and operated in a complementary, alternative, and inclusive manner. Entrepreneurs build ancestral halls and participate in clan activities to better allocate rural economic resources and reduce transaction costs (Hirschhorn et al., 2020. In turn, clan organizations have an incentive to demand resources from the governmental and entrepreneurial systems to achieve economic growth. When the interests and preferences of ancestral hall organizations, government, and entrepreneurs are aligned, the three institutions provide mutual support and reinforce each other, constituting a dynamic cycle that supports rural economic growth. When the three institutional rules merge and the boundaries blur and disappear, the ancestral hall provides an alternative reinforcement mechanism other than the price mechanism, dramatically reducing institutional transaction costs in rural revitalization.

Conclusions, Implications, and Future Research

Addressing the phenomenon of entrepreneurs starting up businesses and building ancestral halls in their hometowns in rural revitalization, this paper argues theoretically and empirically for the impact of ancestral halls as a special cultural element on rural entrepreneurship and economic development. This paper finds that the number of ancestral halls and the size of ancestral halls significantly impact rural economic growth. It also investigates the role of the institutional shaping function of ancestral halls on rural economic growth and finds that ancestral halls, as informal institutions, not only have a significant impact on each various indicators of economic growth, but also are important moderating variables that promote rural revitalization with a large cumulative effect of institutional capital. On this basis, three dimensions of the impact of ancestral halls on rural economic growth are elaborated: (i) ancestral halls participate in rural economic activities via seven functions forming informal institutions; (ii) the information and resource flow mechanism based on the clan network constructed by the institutional capital of the ancestral hall are conducive to the development of the rural economy; (iii) as an endogenous informal institution in rural areas, ancestral halls have fostered economic growth by bridging the gap between the formal institution provided by the government and the corporate institution represented by entrepreneurs.

Our research leads to relevant implications for practitioners and policymakers alike. Ancestral hall is a traditional cultural symbol. As an informal institution with low operating cost and high social recognition, it is a fundamental driving mechanism for rural social governance, innovative activities of rural entrepreneurs, and the evolution of rural institutions. It is an excellent channel to reduce social operation costs in rural revitalization activities and also a meaningful way to reshape social operation rules with traditional power. Although due to historical reasons, ancestral halls are mainly concentrated in southern Chinese regions, there has been a trend of restoring ancestral halls in northern China in recent years, and this paper explores the deeper mechanism of this phenomenon. In addition, traditional cultural symbols such as village rules and regulations walls, cultural squares, clan temples, and ancestral tombs are widely found in villages. This paper also provides a reference for the research on how to fully exploit the economic utility of informal institutions in the process of rural revitalization. Policy decisions in rural revitalization should pay full attention to these cultural factors' lasting, long-term, and constant institutional functions. When formulating development policies in rural areas, long-standing informal institutions' functions should be given full play so that the power of traditions can be restored and form institutional capital to participate in rural revitalization. This paper also shows that Chinese society has always existed in a socio-cultural system that corresponds to a centralized government and has maintained the resilience of the private sector in China. It provides valuable guidance for how other developing countries can endogenize within their own cultural systems elements compatible with the market system, which can boost entrepreneurship for economic growth.

There are limitations to this study that should be acknowledged, but there are also strengths that provide potential avenues for future research. Our findings have contributed to research in the following areas: As a unique element of Chinese culture, ancestral halls have received adequate attention in history and sociology but little in economics. This study integrates the historical and sociological literature on ancestral halls, focusing on their economic shaping function as informal institutions. It brings the study of ancestral halls into economics research, which fills the gap of comprehensive research on ancestral halls in economics. Many scholars attribute China's rapid economic growth to the flexibility of informal entrepreneurship in the private sector and attribute this flexibility to China's traditional culture. However, how this cultural tradition influences resilience is still under-studied. From the perspective of ancestral halls, this paper visualizes Chinese culture and shows the influence path of its institutional shaping function on entrepreneurship and economic activities, which will help to unravel the black box of Chinese culture for subsequent economic researchers. Meanwhile, our findings also provide an empirical sample for the knowledge economy research, which justifies "institutions increasing the diversity of knowledge flows" have the positive on entrepreneurship (Carayannis et al., 2016) and economic growth.

This study has considered ancestral Halls from Fujian Province of China as its sample and taken relevant data. Research can be extended to some other provinces for exploring many dimensions as socio-economic and cultural diversifications may influence the results. There are still many traditional landmarks, excellent craftsmanship, and other rich informal institutional elements in China that

need to be studied in order to apply them to rural revitalization. It will help to take more effective administrative decisions for sustainable existence of cultural heritage of the country. In addition, further research is needed on the interactive effect of Chinese traditional culture in entrepreneurship and knowledge inheritance. At the same time, many other countries have different social institutions which are contributing as formal and informal ways. Scholars can conduct their research as comparative study and impact of globalization on functions of those institutions and their entrepreneurship role. This study is mainly based on secondary data. So, further research can be taken into consideration of community perception through collecting their response as primary data which will help to re-shape process according to rural peoples' expectations in this modern age.

Declarations

Conflict of Interest The authors declare no competing interests.

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