

## **ANCIENT AND NEW CHINESE ECONOMY FROM THE PERSPECTIVE OF MENTALITY CHANGE**

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### **Abstract:**

The Chinese economy was the biggest economy in the world for a very long period in history. At the same time, China was the leading producer of knowledge and the origin of most of the famous inventions in human history. Ancient China was an economic and technological powerhouse. But this changed with the worldwide effects of Industrial Revolution, which originated in the West. With this development, while Western nations rise to dominance, China came to a relatively backwards position and became the playground of outside hegemonic powers. After the second world war, China, trying to secure a new and better position in the global arena, underwent a fast transition process. At the end of this process, China managed to transform itself into a new and peculiar economic system. This transformation encompassed a change in economic mentality as well as a technical, political and cultural component. The aim of this paper is to investigate the process of mentality change in China during the process of transition from ancient to new China. Max Weber, posits that Rational Capitalism was a system peculiar to Western civilisation. In New China, although the government of the systems rests in the hands of a communist entity, its economic system is one of the core components of global capitalism today. Furthermore, it is as rational as to implement very harsh policies for the sake of population control. Ironically, the communist government in New China managed to establish a Rational Bureaucratic Capitalism in its region.

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