Global Fabric Bazaar:

An Indian Trading Economy in a Chinese County



Ka-Kin Cheuk

St. Antony's College

University of Oxford

A thesis submitted in partial fulfilment of the requirements of the degree of

Doctor of Philosophy

in Social and Cultural Anthropology

Trinity 2015

Statement of Originality

I hereby declare that this thesis is my own work and to the best of my knowledge it contains no materials previously published or written by another person.

Ka-Kin Cheuk **Trinity 2015**

St. Antony's College **Abstract**

Global Fabric Bazaar: An Indian Trading Economy in a Chinese County

This thesis is primarily based on ethnographic fieldwork that lasted fifteen months, between 2010 and 2012, in Keqiao, a municipal county in eastern Zhejiang Province, China. Despite its inferior administrative status and rather inland location, Keqiao is China's trading frontier for fabrics, which are the semifinished textiles that are industrially weaved, knitted, dyed, and printed in bulk before being exported. Contributing to the turnover of more than one-third of all fabric produced in China, the county's fabric wholesale market is not only the mainstay of Keqiao's economy. It is also the world's centre for fabric supplies, and where around 10,000 Indians have flocked to start their intermediary trading businesses.

The major aim of this thesis is to examine the everyday encounters between Indians and Chinese in the local fabric market. It begins by exploring how Keqiao emerged as the global distribution centre for a wide variety of cheap fabrics. It also shows how Keqiao becomes characterized by the growing importance of low-end fabric sales and the influx of Indian traders, who specialize in exporting these fabrics. The thesis then describes the encounters between Indians and local Chinese in the fabric market, addressing the challenges and difficulties that these Indians, especially the newcomers, confront when dealing with the Chinese suppliers. Focusing on novice traders, the thesis turns to investigate the internal dynamics of Indian trading companies. Remarkably, novice Indian traders successfully learn several strategies to counteract their precarious position in the workplace. These strategies leverage the accumulation of work experience and expanding social networks. These insights bring the thesis to chapters that highlight other strategies, particularly those created from encounters between Indian traders and Chinese clerks, as well as those between Indian traders and Chinese salespersons.

Taken together, this thesis illustrates how transnational and local actors team up to create their own, locally based, intermediary economy within a small Chinese county, and how such a collaborative economy, which I term a 'global fabric bazaar,' sustains these actors. Without this collaborative economy, these players would otherwise be vulnerable within the fabric wholesale industry because this supply chain is increasingly polarized and weakened by today's global capitalism.

Table of Content

List of Figures and Tables **6**

Acknowledgement **7**

Author's Note **11**

Chapter 1: Introduction **17**

1.1 What This Is All About 17

1.2 Global Fabric Bazaar 30

1.3 Methods of Study 34

1.4 Outline of the Thesis 42

Chapter 2: Locating the Fabric Supply **47**

2.1 Introduction 47

2.2 A Brief History of the Fabric Supply Economy 48

2.4 The Outlet Business 55

2.5 Dyeing and Printing Factories 64

2.5.1 Full Ownership and Full Control 65

2.5.2 Partial Ownership, Partial Control, and Co-operative Strategies 66

2.6 Perfect Match for the Global Low-End Market 73

2.7 Conclusion 75

Chapter 3: Indian Agents In Keqiao **76**

3.1 Introduction 76

3.2 The New International Trade Zone 76

3.2.1 Rajesh: My Chinese Suppliers Will Help Me 80

3.2.2 Vijay: Why Visiting the Old Marketplace Is No Longer Necessary 83

3.3 'Indian Price' Malaise in Keqiao 88

3.4 Local Difficulties and Transnational Challenges 92

3.4.1 Sankar: Waiting a Long Time for a Big Order 92

3.4.2 Aswani: I Don't Want to See My Brother 96

3.5 Conclusion 98

Chapter 4: Indian Bosses and Indian Workers 100
4.1 Introduction 100
4.2 The Basic Setup of an Indian Trading Company 100
4.3 Arriving with Indian Languages and Religion 102
4.4 Getting Struck by Exploitations 111
4.4.1 Buta: Surveillance at Home and in the Workplace 112
4.4.2 Jaswant: 'My Boss Changes Face!' 114
4.4.3 Sharma: A Boss Who Always Changes His Mind 116
4.4.4 Mechanisms of Exploitation and Refusals of Resistance 118
4.4.5 Structural Vulnerabilities with a Time Limit 120
4.5 Moving on as Subagents-turned-Agents 125
4.5.1 An Unexpected Happy Ending 128
4.5.2 Selling the 'Company' to an Subagent 136
4.6 Conclusion 138

Chapter 5: Chinese Clerks Helping Indians 142
5.1 Introduction 142
5.2 Who Are the Clerks? 142
5.2.1 A New Chinese Clerk and Her Indian Boss 146
5.2.2 An Impossible Replacement 148
5.3 The Dual Work Ethic of Female Clerks 150
5.4 Making Friends, Loving Clerks 154
5.4.1 A Hidden Bank Account 155
5.4.2 An Unrequited Lover 161
5.5 Involution of Relationship 163
5.6 Conclusion 168

Chapter 6: Chinese Salespersons in the Middle 170
6.1 Introduction 170
6.2 Who Are the Salespersons? 171
6.3 A Chinese Trading Company 172
6.3.1 The Company Background 173
6.3.2 Seven Salespersons 177

6.4 Same Market, Different Outcome 182
6.5 China's Export Rebate and Its Local Manifestation 198
6.6 Dos and Don'ts of Export Sales 200
6.6.1 To Buy or Not to Buy? 205
6.6.2 Companies' Accountants and Account Books 208
6.7 Sharing Rebates with Everyone 211
6.8 Conclusion.....217

Chapter 7: Conclusion 218
7.1 Summary of Findings and Arguments.....218
7.2 The Lessons Learned.....224

Bibliography 230

List of Figures and Tables

Table 0.1. The currency chart of Chinese yuan to U.S. dollars ····· 12
Figure 1.1. Map of China and India ····· 15
Figure 1.2. Map of Keqiao ····· 16
Figure 2.1. Map of the 'Old Marketplace.' ····· 51
Figure 2.2. Trucks and two billboards ····· 54
Figure 2.3: A goods delivery outlet ····· 55
Figure 2.4. Mobile food carts ····· 57
Figure 2.5. 'Makes & Surprise' versus 'Marks & Spencer' ····· 63
Table 2.1. Annual industrial output of fabrics ····· 64
Figure 3.1. The map of the NITZ and Old Marketplace ····· 77
Figure 3.2. The Shaoxing World Trade Centre ····· 78
Figure 4.1. An Indian altar ····· 106
Figure 4.2. Hindu deities ····· 109
Figure 5.1. A Chinese woman and an Indian man ····· 163
Table 6.1. Sales Team at Dragon Co. Ltd. ····· 178
Figure 6.1. China International Trade Fair ····· 181
Figure 6.2. A ladies-wear fabric exhibitor ····· 181
Figure 6.3. Several 29-colour pantone booklets ····· 184
Figure 6.4. At a dyeing and printing factory ····· 192
Figure 6.5. A redacted commercial invoice ····· 195
Figure 6.6. Export rebate ····· 201
Figure 6.7. A cold-call facsimile ····· 206
Figure 7.1. The operation of strategic counteractions ····· 226

Acknowledgement

I am indebted to my D.Phil supervisors Prof. Xiang Biao and Prof. Marcus Banks. Words cannot express my gratitude, admiration, and thanks to Biao. I could not have found a mentor better than Biao, who tirelessly offered sharp insights, constructive criticism, and unflagging encouragement for my work. Marcus was always patient in listening to my ideas, making careful comments on my writing, and guiding me to think clearer on many topics in my thesis.

I also wish to thank Prof. Frank Pieke for his supervision during the conceptual stage of this project. Without his support and encouragement, I would not have started this project.

I owe a great deal to all of my informants in China and India, particularly those in Keqiao. It is unfortunate that I cannot name anyone of you here, but I am grateful for all of our encounters and you are always on my mind.

My studies at Oxford, field research, and writing were supported by several funding and organizations. These are the Swire/Cathay Pacific Scholarship, St. Antony's College, Oxford's China Centre, Oxford and Cambridge Hong Kong Society, Wing Yip Bursary, and the Oxford Centre for Hindu Studies. I thank all of them for their generosity.

The Centre on Migration, Policy and Society (COMPAS), where I was an affiliated D.Phil student, provided me with crucial institutional support and a warm working environment at Oxford. I have learnt a great deal about migration from scholars, researchers, and fellow D.Phil students across COMPAS.

For my fieldwork, I am extremely thankful to be affiliated with the Shaoxing University, through the good offices of Prof. Li Shengxiao, Dr. Mary Feng Yan, and Renee Hu. They helped me find my way in Keqiao, including locating housing, and taught me numerous local tips on how to live well and eat well in Keqiao. I was also a visiting researcher in the Zhejiang University, for which I thank Dr. Gao Chong at Shue Yan University for the introduction, and Dr. Liu Zhijun for his help in Hangzhou. Dr. Wang Jinmin, at the University of Nottingham, was helpful in introducing me to initial contacts in China and sharing me with his excellent work on the economic development in Zhejiang. During my fieldwork in India, Dr. Faisal Devji, at Oxford University, and Dr. Binod Singh, at Peking University, were helpful in my exploratory research in Delhi and Mumbai. Swarm Singh Kahlon; Prof. Tatla Singh Darshan, at Punjabi University, Patiala; and my dear friends Gurpreet-ji and Sonu, Habaksh Singh kindly accommodated me whenever I needed a place to stay in India. I learnt a lot about their interesting insights on China and India when I stayed in their homes.

Dr. Diana Ibañez-Tirado, Dr. Melody Li-Ornellas, Dr. Roberta Zavoretta, Dr. Rosana Pinheiro-Machado, Dr. Neil Carrier, Dr. Wang Shuli, Dr. Makio

Yamada, Cheng Siu-kei, Samson Yuen, Samuelson Yin, and many other academic comrades commented on parts of or on the entire draft of this thesis; their contributions were indispensable in helping shape my thesis. I also benefited from conversations with scholars across a wide range of disciplines and regional interests, especially those specializing in Chinese and/or South Asian studies: Prof. Gordon Mathews, Prof. Magnus Marsden, Prof. Ackbar Abbas, Dr. Tansen Sen, Dr. Karin Kapadia, Prof. Barbara Harris-White, Dr. Nicholas Van Hear, Dr. Ravinder Kaur, Prof. Shao Jing, Prof. Radhika Gupta, Zha Jianying, Ashok Gurung, and many other mentors. All of them gave insightful comments when I presented my work-in-progress on various occasions. I am also grateful to the workshop and conference conveners who have invited me to present rough drafts of my thesis chapters.

The map of Keqiao (figure 1.2) was prepared by Horace Ip, Miriam Lee, and Phoebe Leung and it was first printed on *Hong Kong Discovery* (Cheuk 2014: 56). I am grateful that it is permitted to be reprinted here. I am also thankful to Fengjiang Jiazhi who helped produce other maps (figures 1.1, 2.1, 3.1) on the thesis.

My Oxford social and cultural anthropology cohorts, Ann Wand, Sonia Lam, and Illyana Angelnova, endured reading some unreadable drafts in the early stages of my writing. Their comments, criticisms, and encouragement guided me to find a way out from the early mess. Other friends I met in Oxford, including

Roger Norum, Simpson Wong, Bonnie Chow, Bolton Chau, Rebecca Wong, Yang Peidong, Gary Luk, Harvey Che, Chris Choy, Chu Hin-lun, May Chan, Franz Mang, Chen Yunju, Sunny Wong, Guo Ting, and Lincoln Tsui each offered me much inspiration from the talents and excellent scholarship within and beyond their own specialized fields.

Prof. Tan Chee-Beng, Prof. James (Woody) Watson, Prof. Sidney Cheung, Prof. Gordon Mathews, Prof. Joseph Bosco, Prof. Tracey Lu Lie-dan, Dr. Saroja Devi D/O Neyson Doraira, Dr. Maria Tam, Dr. Wang Danning, and other current and past teachers in the Department of Anthropology at the Chinese University of Hong Kong were instrumental in my early and current anthropological thinking. Prof. Jean Kim, also from the Chinese University of Hong Kong, has always shown me how to lead a joyful academic life despite the pain in it, for which I am deeply grateful.

I wish to thank for the support of my family. They have been always main sources of love, support and encouragement. Finally, I give my special thanks to Fengjiang Jiazhi, who has read this thesis with enthusiasm, love, patience, support, criticism and many other things.

Author's Note

The following provides notes on my protocols for transliterations, the use of pseudonyms, and the use of figures and tables in this thesis.

Throughout the thesis, words in Mandarin Chinese are romanized in standard *hanyu pinyin* form and printed in italics without diacritical marks. Vernacular terms in other languages, including Hindi, Punjabi, and Arabic, are also in italics. All translations from Mandarin to English and vice versa are mine.

My informants' names are either pseudonyms or simply left out. In most cases, the stories of named informants are discussed in length and are more contextualized. The stories of those who are not named are mostly drawn from casual conversations conducted serendipitously in an open setting, usually unrecorded, and based on field notes I made afterwards. Such informal conversations meant I could not solicit details of their personal particulars. Therefore, I present the known and relevant, thought albeit limited, background information of my unnamed informants. I was aware that this type of conversation would limit how information could be used, but these conversations offered valuable insights.

There is, however, one exception to how I present unnamed informants. For those who work in China's shadow economy, I chose to hide all traceable details.

All informants, whether or not named in the text, understood I was conducting academic research.

Although informants' names are pseudonym, I used different naming protocols for Chinese and Indian names. Following local convention, Chinese names start with a surname (e.g. for Song Yun, 'Song' is the surname). Indian informants were given a single-word name (e.g. Haresh) to follow how Indians are addressed in Keqiao.

Names of companies are also pseudonyms, and follow the same rule as for people.

Monetary units in this book appear in Chinese yuan (RMB) and U.S. dollars (US$), unless otherwise indicated. During my fieldwork (2010 through 2012), the exchange rate between the Chinese yuan and U.S. dollar, as expected, kept changing. The following table will help readers to see how the conversation altered over the course of my fieldwork (see Table 0.1).

Table 0.1. The currency chart of Chinese yuan to U.S. dollars (26 Jan 2010 00:00 UTC - 1 Dec 2013 00:00 UTC)
Source: 'XE Currency Charts (USD/ CNY)'. < http://www.xe.com/currencycharts/?from=USD&to=INR&view=5Y> (Accessed 4 June 2015).



Original photographs are used in this thesis, but all the traceable details have been hidden, such as a company's name. The people, places, and activities depicted in the photographs may not relate to any persons or companies discussed in the thesis. Instead, the photographs are to give a visual favour for events that parallel the case studies presented in the text. In addition, people's faces have been deliberately disguised if they faced the camera.

All figures and tables, unless otherwise specified, are based on my field notes.



Figure 1.1. Map of China and India. The map shows the locations of the cities, states, provinces, or countries mentioned in the thesis. ★= cities; ○ = states or provinces; block capitals marked in bold = countries.



Figure 1.2. Map of Keqiao

Chapter 1: Introduction

1.1 What This Is All About

This thesis shows how transnational and local actors team up to create their own, locally based, intermediary economy within a small Chinese county, and how such a collaborative economy, which I term a 'global fabric bazaar,' sustains these actors, who would otherwise be quite vulnerable in the face of global economic hegemony.

The following provides a general background of this thesis:

Shaoxing County in Zhejiang Province, in eastern China, the field site on which the thesis research is based, is the world's centre for wholesale fabrics (*mianliao*). 'Fabrics' refers to industrially processed, semifinished, light textiles (*qingfang*) that are woven, flocked, knitted, dyed, and printed before trading. These fabrics are further processed outside of China, eventually becoming garments, home textiles, or other consumer products in the downstream of the textile industry. This area, more popularly known as Keqiao,[1] is the municipal county home to twelve mega-size marketplace buildings, in which about 22,000 outlets wholesale more than 10,000 types of fabric (Lou 2007: 17). More than 80

[1] Keqiao was originally a township (*zhen*) in Shaoxing County. Given its rapid economic development in fabric trading economy, the Shaoxing County People's Government relocated the government offices from Yuecheng District to Keqiao in 2001, thereby promoting Keqiao's administrative status to a municipal county (*xian*). After that, Keqiao was officially known as Shaoxing County, which was one level lower than the highest administrative government, the Shaoxing City Prefectural People's Government located in Yuecheng District. One year after my fieldwork (2010-2012), Shaoxing County was renamed as 'Keqiao District', but remains the same administrative status at the county level. See Figure 1.2.

per cent of the fabric sector is small- and medium-sized enterprises (Sun 2010), and about 200,000 Chinese, which is nearly half of the local population, work in the fabric industries (Organizing Committee of China Keqiao International Textile Expo 2011). These people have profoundly contributed to both the county's and the nation's economy, with local fabric industries generating more than 60 per cent of the county's gross domestic products (GDP) (Miao 2011: 12), and Keqiao distributed over 212 hundred million units of fabrics, which was one-third of all fabrics produced in China in 2009 (Sun 2010).

Given the varieties of product and, more importantly, their bargain prices, these fabrics have been exported in bulk from Keqiao to countries all over the globe. In fact, Keqiao has become a household name in the global textile markets, particularly the low-end ones in South Asia, Middle East, Eastern Europe, Africa, and Latin America. Indians, especially Sindhis,[2] who have maintained extensive business connections in these regions and have traded fabrics for decades, have emerged as a major group of trading agents in Keqiao. Around 10,000 such Indians,[3] either self-employed or employed by others, are now based in this Chinese county, finding it necessary to live there in order to operate their businesses. These Indians are operating in Keqiao what can be described as an intermediary economy because their primary role is to broker fabric export deals between overseas buyers and local Chinese suppliers. In the process, they earn

[2] This thesis is not a study on Sindhis in Keqiao, although most of my Indian informants are Sindhis. For thematic studies on Sindhi migration, see Anand (1996), Bhavnani (2014), Falzon (2004), Markovits (2000), Ramley (2008). and Thapan (2002).
[3] I obtained this number from the Keqiao's Public Security Bureau in 2012.

commissions from either one or both sides. The global fabric trade is a multinational process that entails several rounds of trading and industrial processing, and the intermediary businesses found in Keqiao constitute only a small part of the process; nonetheless, it is an indispensable part.

****

Fabrics, the mass-produced commodities traded by my Indian and Chinese informants in Keqiao is among the most highly traded manufactured products (Morris 2006: 89) in the two-third of world trade that is accounted by the semifinished products (‘Free Exchange: Revisiting Ricardo: Why Globalisation Is Not Reducing Inequality Within Developing Countries?.’ 2014). Considering the significance of the fabric trade, that Keqiao, as a fabric distribution hub, has attracted many Indians should fit well with much of the literature on economic globalisation that focuses on flows and connections, especially the anthropological studies on trade-intensive global commodities (see, e.g. Bestor 2000; Chalfin 2004; Carrier 2007; Tsing 2009; Norris 2010; Sung 2014; Hulme 2015). These works meticulously trace commodities from their origins, to production, and to their eventual consumption and disposal. Largely influenced by anthropological theorists such as George Marcus (1995) and Arjun Appadurai (1996), the mapping exercises of global trajectories of commodities, as well as the accompanying transnational mobilities of people and capital, have almost become

a prerequisite when anthropologists attempt, rather ambitiously, to explain the mechanics of today's global capitalism[4] (see, e.g. Ong 1999).

However, this thesis seeks to achieve something rather different. Instead of tracking a global journey of fabrics, I am writing an ethnography focused on my local findings in Keqiao. Specifically, I have taken a close and detailed look—to the extent possible—at everyday encounters in Keqiao among various types of intermediary business players, especially the Indians and Chinese who leverage encounters to create a local market niche.[5] In this way, this thesis can be called a local ethnography of intermediary players in a global trading process.

This thesis sets out to explore how these local encounters form a workable intermediary economy with its own internal logic, and to what extent it can function, notwithstanding the unavoidable and unpredictable disturbances from the global economy at large. The research questions were: What are the Indians doing in running their intermediary businesses in Keqiao? And how do they operate with local Chinese players? The basic premise of this exploration is thus: Although the global flow of fabrics, including the commodity value chain, is definitely a relevant background for all encounters, it is less relevant to my analysis of how my Indian and Chinese informants organize the intermediary

[4] Such a global mapping perspective is not unique to anthropology. Other related disciplines within social sciences, such as global political economy (e.g. Çaliskan 2010), economics (e.g. Rivoli 2009) and critical labour studies (e.g. Pun 2005), have also taken this approach in their studies of economic globalisation. Notably, Rivoli's monograph has become a best seller, which indicates such an approach is both popular and recognised by a global readership.
[5] See Faier and Rofel (2014) for an overview of anthropology of encounters. Also see Tsing 2005.

trading economy in Keqiao. In the next few paragraphs, I provide my justification for this analysis.

Let me start with a review of counterarguments to explain my choice of approach. Needless to say, no business encounter within Keqiao can be economically productive or reproductive as a system in absolute isolation. Chinese suppliers have to pay for threads and other raw materials, such as dyes in manufacturing fabrics, or to subcontract the production. Meanwhile, Indian agents need to secure overseas demands. In other words, their local business activities are inevitably conditioned by many external factors in the global market, which are constantly shifting and, thus, unpredictable and uncontrollable. Intermediary trading services in Keqiao, which are situated in the middle of a larger trading process, play their part in completing the circuit of global fabric trading. For example, if the price of textile threads were to skyrocket, many overseas buyers would probably stop buying fabrics from Keqiao because it would no longer be profitable to do so. Undeniably, no one in Keqiao's fabric market can escape global market fluctuations, regardless of how much they have achieved in the local fabric market. Nor is it possible to operate without these global connections, should the intermediary players want to ply a profitable trade in Keqiao. Thus, it seems reasonable to articulate a global connectionist view, a global commodity chain that takes all of these intermediary players as a single group of transnational entrepreneurs.

In fact, this is exactly how a corpus of literature squarely qualifies its ethnographic analysis in explaining how certain 'ethnic' economies, as consequent to sojourning or migration, continue to exist and thrive even in difficult and hostile markets (Ward and Jerkins 1984). By designating them as an ethnic group or a migrant community, scholars highlight how exclusive and well-developed ethnic networks have contributed to their continuous ascendancy in certain long-distance trading sectors, particularly those that traverse local and global interfaces (Timberg 1978: 148–160; Cohen 1971; Bonacich 1973; Curtin 1984; Falzon 2004; Ratanapruck 2008).

However, treating my Indian informants like a cog in the global trading wheel risks overlooking what they are actually doing in Keqiao. It might be easy to tag all of them as 'brokers,' 'trading diaspora,' 'go-betweens,' 'middlemen,' or 'connectors' without going any further or deeper,[6] as if they can be neatly defined as some special group advancing economic globalization. It should be noted that my informants are running an intermediary economy not because they want to bridge the gap of globalization or because they want to establish a collective ethnic economy. Rather, this intermediary economy represents the sum of their individual calculations and case-by-case business decisions. Such decisions, in and of themselves may be logical, but they can create 'frictions' (Tsing 2005), 'creative refusals' (Graeber 2013), 'diversions' (Harris 2013), 'punctuation'

[6] See also Baumann (1996) and Harris (2013: 13 - 18) for a similar critique, which argue that it is more important to look into inter-group interactions than to assume anyone of them as a tightly-bounded 'ethnic' group. Also see Marsden (2015).

(Smart and Smart 2008) and 'stoppages' (West 2015) in other parts of the trading process,[7] especially between the global and local, as well as between the powerful and less powerful.

That is to say, intermediary players, in order to survive in the market, always need to prioritize their own interests, not necessarily those of their local and global clientele. It can be reflected in some double-sided actions of intermediary operations I observed in Keqiao, such as disclosing product information while keeping secret certain parts of it; simultaneously creating trouble for their clientele while helping them resolve these troubles; and facilitating connections between buyers and manufacturing factories while making sure that the two parties do not trust each other. In short, intermediary players do as much to connect as to block, ensuring that export deals proceed smoothly, thereby creating what I call 'strategic counteractions' in globalization.

The ethnographic chapters of this thesis from Chapter 2 to Chapter 6 will present in-depth case studies of various types of strategic counteractions. Here, I first give an example of one common strategic counteraction all intermediary players sought to make. It concerns how Indians in Keqiao run their intermediary businesses against all structural odds. Consider the following scenario on buying

[7] In particular, Tsing's definition is that 'friction is not just about slowing things down. Friction is required to keep global power in motion' (Tsing 2005: 6). This is similar to what I try to describe in my ethnographic case studies. Given that Tsing's principal ethnographic focus is global connections in general, not any particular type of local encounters, I decided not to use her concept in illustrating my point or developing my own conceptualization of it.

fabrics through the intermediary players in Keqiao. It is logical that both overseas buyers and Chinese suppliers would ask themselves: Why not just trade directly? Given that China is the largest export-oriented economy in the world and is continuing to open up, it is not difficult for overseas buyers to visit Keqiao and make direct deals with the Chinese factories. They can even order the fabrics through e-commerce, which is not only more systematic and efficient, but also increasingly reliable. Today, globalization has made such direct transaction possible.[8] What Indian agents, for instance, must learn to do quickly in Keqiao is to prove the value of their intermediary businesses, which counteracts the current trend of dis-intermediating in global capitalism.

The thesis will show how various counteractions are strategically created through different local encounters, whether business-related or not, between Indian and Chinese intermediary players in Keqiao, and how these counteractions are created either behind the backs of buyers and suppliers, or more often, simply connived by the local suppliers and global buyers. More importantly, it will also show how these intermediary practices are relatively stable despite the changing economic environment. Through a close-up, nuanced, focused, and day-to-day examination of these Indians agents' encounters with local people and local

[8] Although we now tend to take these technological advancements for granted, an Indian informant in his late fifties, who has been an agent for his whole career, reminded me that intermediary business was quite different before the current age of globalization. He said: 'Forty years ago, you only have a fax machine in your office. What you [as an agent] had to do was very simple. Just to follow the instructions on a fax. Things were very easy at that time. But now everyone has a phone and a Blackberry. They can call you anytime. You see, my three phones keep ringing and ringing … nonstop! So now we can't do things the old way. Life is now very difficult. People don't trust each other and that's why they keep calling me to check up with me. So, now, even old people like me have to learn so many new things.'

markets, this thesis aims to unpack the complexities of local encounters, or, more precisely, how these strategic counteractions work.

By now the reader may question: Why is it important to unpack this particular universe in a small place in China? Admittedly, there seems to be far more pressing current issues in many other arenas of global trading economy, such as labour exploitation and environmental degradation, that are desperate for more critical scholarship, wider public attention, and immediate humanitarian interventions.[9] In one sense, it is true that my case study does not have a sense of urgency because it examines the operations of local intermediary tactics rather than unveiling explicitly dark sides of economic globalization.

Nonetheless, a close examination of the strategic counteractions can offer important lessons that are more valuable than ever in understanding the local experiences of an increasingly polarized and hegemonized global trading economy. Scholars have named this recent development in globalization in general, and fabric trading economy in particular, as 'fast capitalism' (Hulmes and Marcus 2006), 'flexible capitalism' (Kjaerulff 2015), 'fast fashion' (Zhao 2013), and 'financialization' (Chong 2012). These terms, despite having slightly different

[9] For instance, scholarly works that expose the dire situation of factory workers offers a strong moral critique to the current economic globalization because it shows how the global trading economy is *de facto* structured by different layers of power inequalities, including between foreign-invested factories and local workers (e.g. Pun and Chen 2012). This message is particularly clear in global moral discourse, as it has been powerfully advocated by many documentary filmmakers, investigative journalists, and antiglobalization activists (Rivoli 2009: vii–viii).

focuses, refer to a predatory form of global capital dominance not seen before. That is to say, multinational corporations continue to reform and restructure their business operations, reinforcing and consolidating their control of global capital flow in more direct and systematic ways. Many corporations have succeeded mostly through aggressive forms of outsourcing and offshoring (Urry 2014; also see 'Special Report: Outsourcing and Offshoring - Here, There and Everywhere.' 2013, 'Free Exchange: Revisiting Ricardo: Why Globalization Is Not Reducing Inequality Within Developing Countries?' 2014). According to a report published by the United Nations, it is estimated that 80 per cent of the global commodity trade, the highest percentage ever, was organized and coordinated by these increasingly powerful corporations and players (Morris 2006: 89; Yeung and Coe 2015: 30). Some economic geographers advocate that the study of globalization should no longer focus on the global value chain, but instead should analyse how these corporations and players construct and organize their 'Global Production Networks 2.0' (Yeung and Coe 2015). Indeed, such an invincible force coming from the demand side will further weaken the supply side in the global value chain. Those at the bottom, such as factory workers, who have very little will continue to take hold nearly none of the global capital circulation. As such, economic inequalities between the two sides will become wider and evermore structuralized.

The trend of polarization is particularly acute in the global trading of textile items, including fabrics. In 2004, Oxfam, one of the leading NGOs fighting

for fair trade, published a report. According to the report, in the global trade of garments, such as those produced in developing countries in Asia and sold in the West, labour costs only 1.75 per cent of the final retail price, whereas 75 per cent of the profit goes into the pockets of retailers (Oxfam Hong Kong 2004: 14). As such, Oxfam advocates that 'substantial improvement in labour standards,' such as paying factory workers more reasonable rates, is key to counteracting the global polarizing trend (Oxfam International 2004: 1). Nevertheless, there seems to have been no drastic improvement in global labour conditions, even several years after Oxfam's 2004 report. Tactics such as unionizing labourers or exposing a labour exploitation case in international media may lead to a manufacturer relocating its production sites to other places that offer even cheaper labour, looser labour regulations, and, at worst, state patronage. As global textile production becomes increasingly elusive and pervasive, fighting for justice on behalf of the global working class seems to have turned into endless rounds of hide-and-seek.

The polarization in the textile trade can be seen in Keqiao's current dilemma. Squeezed at the upstream side of the textile value chain, local fabric trading can extract, on average, less than 2 per cent of the profits from sales (Shaoxingshi Jingji Maoyi Weyuanhui 2008: 3). In fact, this is a common problem across all sectors of textile trading in China, where the profit margin is between 2 per cent and 5 per cent (Zhong et al., 2005: 224). It marks a sharp contrast with the money made by global brand name retailers such as ZARA, whose profits has risen steadily since 2001 (Buck 2014). For example, ZARA, which also sources

fabrics from Keqiao, extracted 18 per cent profit from more than €17 billion global sales in 2014. Apart from stagnant, and even reduced, profitability, the fabric economy in Keqiao has also been plagued by macrostructural factors, and particularly by the global economic crisis that started in 2007 (Barbosa 2009). The 2008 plunge in overseas demand and the global credit crunch pushed 20 large and medium-sized enterprises,[10] in addition to numerous small-sized enterprises, to the brink of liquidation in Keqiao (Xu 2010: 12). In short, the overseas demand for fabric became rather weak, and it has never fully recovered, as my informants in Keqiao claim. Meanwhile, other macrostructural factors, namely the continuous appreciation of the Chinese yuan, the rising price of raw materials (such as cotton), and the increase in labour costs substantially increased the costs of fabric production in China, so much so that some observers proclaim the end of cheap production in China (e.g. Butollo 2013). Such on-going issues in the global market are increasing the polarization in Keqiao, hitting hard on both its local and transnational business players.

How do anthropologists make sense of this polarization? Some have made significant contributions to understanding the root causes of such polarization by offering strong critiques of the emerging global hegemony (see, e.g. Rankin 2004; Ferguson 2006; Xiang 2007; Tsing 2009; Graeber 2011). Through sharing

[10] One of these enterprises was Hualian Sunshine (*Hualian Sanxin*), which was then Asia's largest producer of Purified Terephthalic Acid, a raw material needed for the manufacture of polyester fabrics. It had a workforce of over 700 employees. Not long after the 2008 crisis, Hualian Sunshine, along with many other large-scale factories, were forced to shut down (Xiao 2008; Barbosa 2009).

people's on-the-ground stories, this stream of work not only shows how polarization is economically extractive and politically oppressive, but also how it is constructed historically, socially, and culturally. It provides a clear picture, for example, of how a repressive labour regime in one place can be attributed to overconsumption in the West (see Xiang 2009: 24). Understanding this process of polarization, of course, helps people to view their precarious lives in relation to the global hegemonic economy rather than as their own fault. Unfortunately, it might do little to tell those who suffer from this polarization what they *should* do to live in a relatively better way since such understanding does not necessarily empower the labourers to subvert the status quo of existing power structure. A factory worker in China might worry more about losing her job than why, from a global perspective, she receives low pay, given that the current stagnant Chinese economy has forced many factories to close down. Similarly, an Indian agent in Keqiao might not be concerned about how suppressed his position is in the global economic structure, but he would be anxious to take action if he does not receive any orders for some months, whether caused by economic crises or other factors. From what I have seen in Keqiao, Indian agents have to create strategies to grapple with the mounting pressure in their work lives. In short, informing them what actions they can take in their lives is more helpful than telling them what constitute their struggles, which can be too abstract as to offer practical advices in their everyday lives.

Let me recapitulate my point. This thesis is not a methodological and theoretical critique of the anthropology of globalization (cf. Schiller and Caglar 2010 and Xiang 2013). In one way, this thesis's ethnography is an incomplete account of a global process given that it does not account much for what is going on outside Keqiao. Yet, what convinced me to pursue a specific narrative of the local is the current global trend I discussed above: polarization is becoming evermore extreme, and local lives on the weaker side are becoming evermore precarious and fragile. What local people need most is everyday guidance on how to improve their lives, not a critical understanding of their increasingly structured and polarized situation in the global economy. As such, it is my hope that this ethnography, which is an anthropological study of a locality, captures how my Indian and Chinese informants respond to the polarization process in Keqiao. It, therefore, shows what lessons may be offered to counteract the global economic hegemony.

1.2 Global Fabric Bazaar

For this thesis, strategic counteractions, as I conceptualize them, can be analysed through the local lens of fabric materiality and the self-making of a bazaar economy, with polarizing globalization as the background. Considering these all together, I suggest that the dynamics can be understood as a *global fabric bazaar*, as I have entitled the thesis.

Fabric materiality[11] is rather unique when compared with that of other industrial commodities because its industrial production is a highly resilient process in which the fabrics' physical composition—namely its raw materials, colours, patterns, density, elasticity, softness, weight, processing speed, interweaving methods, stitching techniques, and a wide range of minor qualities—can all be adjusted or modified to meet buyers' requirements or budgets. Unlike other standardized commodities, fabric trading is extremely adaptable to rapid market changes or, more precisely, the rapidly changing fashion, taste, preferences and, above all, budget of buyers. Thus, business negotiations usually entail painstaking rounds of phone and in-person office calls, tireless arguing, double-checking of numbers, and forceful bargaining and compromise between the sellers and buyer of fabric. All of these intensive interactions give each party a say on what is to be traded, which is subject to change throughout the deal-making process.

In one way, the notion of fabric materiality can be precisely summarized by a popular Chinese saying: *jianghuo jiuga.* This literally translates as 'making the goods according to how much one can pay for it.' A Chinese trading company owner in Keqiao, who was once a schoolteacher, presented me with a vivid metaphorical example:

[11] While fabric materiality is an important element in this thesis, I do not discuss it in terms of its material cultural aspects (cf. Tarlo 1996; Banerjee and Miller 2008). Instead, I analysed the fabric trade of my informants as an enabling factor for their social encounters (i.e. what they can do with the trade) rather than as an embodiment of cultural values (i.e. why they like to work in this trade).

> Say, for example, you want to buy rhino skin leathers from me. But it is pricey and you can't afford it. So I show you the upper layer of buffalo skins that is cheaper, yet processing [offers] very similar quality. After some experiments, I find that the cost of lower layer of buffalo skins is even lower and its quality is still more or less the same. After several more experiments, I show you that the cheapest way is to use yellow cattle skins instead of all the above and no one can tell the difference.

Capitalizing on such versatile and flexible fabric materiality, tens of thousands of Chinese fabric suppliers make their living in Keqiao. Such local fabric sectors can be called a 'bazaar economy,' in which 'information [of the trade items] is poor, scarce, maldistributed, inefficiently communicated, and intensely valued' (Geertz 1978: 29) among these suppliers. In such a disorderly market setting, to find a reliable supplier and to get the best value of purchase—at least in the way that the buying side would view it—requires a high level of commitment, engagement, and persistence from the individuals who are direct participants in the deal-making process. In Keqiao, this individual can, of course, be a buyer, but more likely is an intermediary player, such as an agent and subagent working for a trading company. During the deal-making process, this individual needs to search extensively for local suppliers; and once a particular supplier is chosen, to bargain intensively for the best deal (Geertz 1979: 224). This is tedious and exhausting work, which nonetheless gives the individual great leeway to build up his or her own agency in the fabric trade. This is particularly true for some Indian subagents I met in Keqiao. When working on these two tasks—researching and bargaining—for their companies, the subagents were, at the same time, trying to acquaint with as many local Chinese suppliers as possible, often without the knowledge of their bosses. They believed that such a contact list would become vital to realizing their own entrepreneurial dream in Keqiao. In other words, many

subagents worked extremely hard not so much for their bosses' companies but because they wanted to launch their own businesses in the not-too-distant future. Considering this scenario in a bazaar economy, it is not possible to prevent subagents from eventually starting their own businesses.

In light of the foregoing, the bazaar economy model is important not because it is 'the precursor or prototype of the modern capitalist competitive market' (Favero 2010: 62), which can still be found in many parts of the capitalistic world today (Marsden 2015: 1022–1027; Bestor 2004; Black 2012; Walsh 2012), nor because bazaars are convergent spaces for economic exchange, political discourses, social relations, and cultural representations (Favero 2010: 64–65; Bayly 1983; Yang 1999; Coburn 2011). It is important because the bazaar economy model, as in the example of Keqiao, offers realistic hope to individual players who look forward to becoming self-enterprising, and this is especially true for those who start from nothing. Even though these individual players may start as inexperienced, with a lack of capital or with the possibility of being exploited, they can gain experience, build networks, and accumulate capital, all of which can be transformed into tools to craft their own future businesses. Given that the fabric trading economy in Keqiao operates in 'an enormously complicated, poorly articulated, and extremely noisy communication network' (Geertz 1979: 125), every individual player, if directly engaged with local markets, has a rather fair chance to tap into 'the ambiguity, scarcity, and maldistribution of knowledge generated' (323) by the fabric trading economy. In this vein, an examination of

individual players' self-making strategies in the fabric bazaar economy should reveal them as more than simple constituents of a given bazaar economy.

1.3 Methods of Study

The field research for this study was conducted between 2010 and 2012. I spent a total of fifteen months in Keqiao, from March to April 2010 and then from June 2011 to July 2012. My fieldwork in Keqiao provided the main data for this thesis.

I also spent time in other places in Hong Kong and India, mostly for the preparation of my research in Keqiao. This made for whole research that lasted two years. I spent three months in India (January to March 2011). By staying mostly in Mussoorie, Delhi, and Mumbai, I attended intensive Hindi language classes. I was trying to improve my Hindi because I hoped it would enhance my communications with Indians in Keqiao, whose first or second South Asian language is usually Hindi. In Delhi and Mumbai, I interviewed a handful of Indians who had bought fabrics from Keqiao or other places, such as Guangzhou, in China. I also spent some time in Hong Kong (in December 2010 and from April to May 2011), where I conducted research in the library of the Universities Services Centre for Chinese studies, at the Chinese University of Hong Kong. At the library I collected official statistics, government reports, and other printed materials on Keqiao in particular and the fabric trading economy in China in general. During my time in Hong Kong, I interviewed ten Sindhi merchants,[12]

[12] I thank the Oxford Centre for Hindu Studies for introducing me to these ten Sindhis in Hong Kong.

who provided their knowledge and personal views on the global history of Sindhi migration, Indians working in China, and other topics related to my general focus on fabric trading economy.

The pilot fieldwork and the first four months of the main fieldwork in Keqiao, which admittedly may have been influenced by what I had experienced in India, primarily focused on tracing 'the transnational Indian connections' and 'the local formation of Indian community.' During that initial period, I was more interested in Indian migration to China than the internal dynamics of the fabric economy, even though I was aware that these two topics were closely interrelated with each other in Keqiao. Because of my initial focus on Indians as my research subject, I interviewed twenty-six Indian men,[13] and only one Chinese man, who asked me to interview him. I made contact with the twenty-six Indian informants, who were mostly in their early forties, through 'snowballing' the contacts, starting with my first contact in the Shaoxing Indian Business Association, an informal, club-like association that used to organize social get-togethers, cricket matches, and religious congregations for the Indian community in Keqiao. However, it was no longer active after 2011. These Indians, who were the owners of their trading companies, ran established intermediary businesses in Keqiao, and were widely recognized as the most successful members among the local Indian populations. Through these interviews, I gathered rich data on their migration trajectories, family histories, and living experiences in China as compared to other places they

[13] All the Indian agents and subagents I met in Keqiao are men. As I was told, there was only one female Indian agent in Keqiao, who is discussed in Chapter 6.

had resided, such as in Dubai. However, many of them often refused to disclose many details of their intermediary business operations. On one occasion, an Indian interviewee, after having enthusiastically thrice told me his migration story (from India, to the United Arab Emirates, and then to China) for more than two hours, would not reveal the destination countries of his exports or other specific information about his company. He reiterated: 'Sorry, I can't tell you this. This is our commercial secret.'

In addition to scheduled interviews, I also engaged in a variety of work and other events where I could meet and observe Indians in larger group settings. In October 2011, I volunteered to be a temporary replacement teacher in a private kindergarten (the original teacher, who was to arrive from the Philippines, could not get her Chinese visa on time). This kindergarten was one of the only two international kindergartens in Keqiao, it was sponsored by an Indian agent whom I knew well, and most of its schoolchildren were Indians. Working full-time at the school, I took the opportunity to meet the parents of my students, especially Indian mothers who came to pick up their children after school. At that time, it was a busy festive month for Indians, especially for Sindhis who follow both Hindu and Sikh traditions (Ramley 2008), who are the majority in Keqiao.[14] A number of group celebrations and annual religious ceremonies were organized for

[14] Most Indians in Keqiao are Sindhis with a wide range of migration experiences in and beyond India. The migration trajectories of these Sindhis are diverse, and so do not fit into any uniform pathway. Nonetheless, many of them follow the same religious traditions as Sindhis in other parts of the world, as well as other Indian religious groups, including Hindus and Sikhs in Keqiao. As I observed, the Sindhis share the same religious traditions as those practiced by the Indian minority populations in Shaoxing, such as Tamils and Marwaris.

26–30 October 2011, for the Diwali, one of the most important religious festivals for Hindus (see Laidlaw 1995: 364–387) and on 10 November 2011 for the Guru Nanak Dev Ji Jayanti (the birth date of the first Sikh Guru). I attended Diwali parties and religious congregations, both communal and household ones. Not long after these two religious festivals, in November 2011, a Sikh Temple (*gurdwara*) was first established in an apartment, which was then quickly relocated in December 2011 to a three-story office. The temple quickly became a place some Indians attended regularly, especially before and after work. I thus also regularly attended the temple.

Thanks to my brief time teaching kindergarten and to my frequent presence at Indian communal activities, I became acquainted with a wide and diverse group of Indians. I met a number of Indian housewives, who each shared me with their family's lives and religious participation in Keqiao. I also made friends with several Indian agents and subagents, who were often regarded as less successful, or even as 'losers,' in Keqiao due to their poor sales records. Most likely because we were of a similar age in our twenties, these younger Indians were more willing to talk with me than were their seniors. Keeping regular contact with some of them, I paid attention to what struggles and challenges they faced in Keqiao and how they responded. Through even stronger acquaintance, I had the opportunity to spend time in some Indian trading offices, where I observe daily operations. These acquaintances even invited me into their homes to have dinner and watch Indian television programmes with them.

My observations in the Indian trading companies revealed useful information on employer–employee relationships, but it rarely allowed me to observe the transnational side of these companies' operations, even though transnational business was conducted in these offices every day. One incident made me realize that these companies were, after all, not a suitable place to study transnationalism. One early morning in an Indian trading office, I was drinking coffee with an Indian subagent while his boss, sitting in front of a computer, was speaking furiously, on a Skype-type call. The boss was speaking a mix of Hindi, English, and some language I did not recognize. He spoke extremely fast, so I could make no sense of what he was saying, but his voice was so loud that he could be heard all around the office. After the end of that phone conversation, he immediately left the office for a factory visit. Quite intrigued, I asked the subagent what the conversation was about. He told me that his boss seemed to be talking to an Indian buyer in Poland, but he could not tell the content of the conversation. To my surprise, this subagent said: 'Because he was speaking too fast!'

Growing frustrations with my initial focus on Indians and their transnational business networks[15] naturally led me to spend more time with my Chinese friends, particularly those who worked as salespersons in Keqiao. I got to

[15] Ethnographic research focusing on businessmen, especially traders, always touched on many topics that informants would consider too sensitive to talk about, especially those who engage in illegal trade as considered by the state (e.g. Harris 2013: 155-156; Marsden 2015: 1021). Also, in general, the rate that traders would agree to take part in ethnographic research is rather low (Falzon 2005: 24-28).

know most of them through their business encounters with my Indian informants, during which I was also present. In general, I found my Chinese informants, compared to my Indian informants, more inclined to tell me how they ran their businesses. None of my Chinese informants thought I was a spy working for another company, whilst some of my Indian informants told me that they once suspected me in this way. As a Hong Kong Chinese myself, I first assumed that it was probably because of my cultural familiarity, but later I found that the reason was exactly the opposite. There was no doubt on the part of my Chinese informants because they thought that I was *so* different from them and most of the Chinese people in Keqiao. Nearly all of my Chinese informants said they could tell at first glance that I was not a local Chinese: my strong Canton-accented Mandarin, my Hong Kong-accented English, my style of dress (I used to wear hoodies that were not very popular in Keqiao), my backpack (some thought it would be used only by a secondary school student), and my manner (I always opened doors for the others). On that last point, a Chinese informant once joked to me that only doormen would do that. Combined, it was all too obvious to them that I could not be a Chinese doing business in Keqiao. In a similar vein, a Chinese informant explained why Indians always declined to tell me about their business. His explanation made perfect sense: Indians take all Chinese-looking people as the same, and they came to Keqiao only for one purpose: to negotiate with Chinese businesspersons – making 'Chinese friend' outside the business is never their first priority.

Many breakthroughs came with my increased exposure to the Chinese side of fabric trading in Keqiao. I was able to conduct in-depth interviews with owners, salespersons, and clerks of Chinese trading companies. Through these interviews, I obtained a great deal of information, not only about the daily operations of these companies, but also how the Chinese negotiate fabric trade with Indians in Keqiao. I was allowed to visit their offices whenever I wanted. In two Chinese offices I was even offered permanent desks to write my field notes. Some Chinese informants brought me to visit the dyeing and printing factories in the outskirts of Keqiao, which I could not do by myself. Others took me to Shanghai, Huangshan, Jiaxing, Hangzhou, Taizhou, Yiwu, and Wenzhou for short trips. That was when they went in search of new buyers, visited their home villages, made factory visits, got married, established new sales units, or just took a break from work. On the drive to these places, which could last for at least a half day, we talked about many things, especially their bitter and sweet encounters with Indians and other people. In Keqiao, I was always invited to accompany my Chinese informants to meet their Indian agents and subagents, which enabled me to closely observe their interactions. In short, through my Chinese informants, I found many answers that had been left unanswered during the first few months of my fieldwork, which had placed too much emphasis on Indians.

Because of this increased engagement with my Chinese informants, I was able to spend more time in the wholesale fabric marketplaces, trying to learn if there were any linkages between the domestic fabric trade and the export business

conducted through Indian agents (see Chapter 2). Thanks to the kind introduction of my Chinese friends, I was able to interview ten local Chinese officials whose work was directly related to the planned development and everyday management of the export economy in Keqiao. I also interviewed two Chinese lawyers, who helped their Indian and other foreign clients apply for or extend their Chinese visas. I also followed the advice of a Chinese friend: just learn to be an ordinary Keqiao person. I went to a gym almost every night, where I talked to many Indian and Chinese gym-goers, who shared their insights and experiences of doing business. I seldom rejected invitations from friends when they asked me to join them to sing karaoke, drink coffee in the newly opened Starbucks, watch movies, and have dinner in their homes. My friends always introduced me to their friends at these social gatherings. On these occasions, I generated even more useful and helpful contacts for my research.

At the same time, I often read and occasionally engaged in the discussions on a Keqiao-based website called e0575.com, which is the most popular online discussion forum in Keqiao (‘0575’ is the Area Code of Shaoxing City and Keqiao). On this website, many Chinese bosses and salespersons posted their working experiences in Keqiao. Some of their posts went into very rich details, which helped me verify my offline observations. I had made several online friends through this forum or such social media as QQ, which is popular in China. Some of them later became my informants.

I conducted interviews or engaged in in-depth conversations[16] with 123 Indians; 76 Chinese; and 19 people of other nationalities, such as Pakistanis, South Koreans, or Arabs, who offered some comparative perspective in migration and business experiences. In addition, I engaged in many casual conversations with Chinese living in Keqiao who I randomly met through friends of friends' introduction or simply by bumping into them in the gym or other public spaces in Keqiao.

1.4 Outline of the Thesis

The remainder of thesis is organized as follows.

Chapter 2 explores how Keqiao became the leading fabric wholesale centre in China. It begins with a historical background of the Old Marketplace, which is the area with one of the highest densities of fabric wholesale outlets in China. In particular, it first looks at the role of the local government in developing Keqiao from a backwater town into a vibrant fabric marketplace. This is followed by ethnographic accounts of the Chinese suppliers, with special reference to their roles in wholesale outlets and dyeing and printing factories. It examines how the linkages between the outlets and factories generate a flexible, versatile, comprehensive, and cheap supply of diverse kinds of fabrics. With the immense size of the Old Marketplace and its strong connections with nearby manufacturing

[16] I define conversations as occurring when I spent hours talking with them whilst they were otherwise engaged, such as meeting a customer in a wholesale outlet.

facilities, various kinds of fabrics at the cheapest sales price can be found at the 22,000 outlets in the Old Marketplace. As such, Keqiao becomes arguably the best place in the world to accurately check the index price of all kinds of fabrics. The chapter also explains how a large number of small Chinese suppliers manage to take part in the trade, even though the cost of running an outlet or a factory is high. As such, it examines the organizing tactics and business strategies among these small Chinese suppliers. It shows that by undertaking a strategic model of collaboration, including a willingness to share resources, small Chinese suppliers manage to produce a large quantity of cheap fabric. The final part of Chapter 2 shows that Indian agents and subagents, who often specialize in the global trading of low-end fabrics and hedge on its low production costs to generate profits, fit well with the Keqiao's fabric wholesale market, which is characterized by the sale of low-end fabrics at the lowest possible prices.

Chapter 3 turns to focus on the Indian agents in Keqiao. It illustrates that most of them are practicing a different model of trading business than, say, that of many domestic Chinese buyers and agents. That is, Chinese buyers and agents spend most of their time in search of cheap fabrics in the Old Marketplace. However, I saw very few Indians doing that during my fieldwork. Rather than setting up their business in or near the Old Marketplace, most Indian trading company offices are located in the New International Trade Zone (NITZ), a new commercial area not very near the Old Marketplace. Given that most Indians in Keqiao are in search of cheap fabrics for their intermediary practices, it is

surprising that most of them do not do door-to-door outlet searches in the Old Marketplace, as it is the most ideal area to easily compare prices of fabrics. By presenting four stories of Indian agents, I analyze how they succeed or fail to obtain local market information, such as the most up-to-date fabric prices. I cross-checked their accounts with what I observed. I also investigated at the Old Marketplace, where the Chinese suppliers shared with me their perspectives on Indian agents. It also shows how local Chinese suppliers, in general, perceive the Indian agents and subagents in Keqiao, which, as I found, significantly shape the way they conduct their trading businesses. Taken together, it explores the difficulties and challenges that Indian agents, particularly the novice ones, face due to such perceptions from the Chinese suppliers at the Old Marketplace.

Chapter 4 shifts focus to the internal employment dynamics within the Indian trading companies. It examines the basic arrangement of Indian trading offices, the reasons that Indian agents employ Indian subagents, and the everyday operations of companies. It shows that most of the new Indian subagents suffer exploitations in their workplace and hostility in the marketplace. Both of these create nearly overwhelming difficulties at the beginning of their careers, but the chapter shows that these subagents, after adapting to life and work in Keqiao, can develop various counteracting strategies that largely fit in within the Chinese context. It also explains the phenomenon of why, given the difficulties in their early years, subagents most often become agents, and why it usually does not result in rifts when agents leave to start their own companies.

Chapter 5 looks at the everyday encounters between Indian agents and subagents (all male) and Chinese clerks (all female) in Keqiao. Through the lens of gender relations, the chapter examines the workplace dynamics, friendships, and romantic relationships between the male Indian agents and subagents and the female Chinese clerks. It attempts to explain why many Indians, especially the newcomers, are eager to make friends or even date the clerks in Keqiao. In turn, it seeks to find out how most of these Chinese clerks are willing to help these Indians through friendship or intimate relationships. Through case studies of several such encounters, the chapter explores the kinds of assistance these Chinese clerks can offer to the Indians, who usually find their help useful in improving their work conditions, accessing local business information, and expanding business networks.

Chapter 6 turns to discuss the encounters between Indian agents and subagents and Chinese salesperson. It first briefly describes who Chinese salespersons are and what they do in Chinese trading companies. Largely through the lens of several Chinese salespersons, the chapter illustrates that some types of encounters will not yield any deal, while other types of encounters may not only lead to a successful export order, but also may enable Chinese salespersons and Indian agents and subagents to become more central players in the deal-making process, that is, to exercise more power in deciding how a deal is conducted. This places them in a strong position when negotiating for better prices or even extra

profits from the Chinese suppliers. I argue that it can be seen as the clearest and strongest form of strategic counteractions. Finally, the chapter also addresses how this relates to the informal economy of China's export rebates.

Chapter 7 concludes the thesis. It provides a summary of the key findings of each chapter and, thus, frames it into the wider debate on globalization, polarization, and strategic counteractions. It shows these strategic counteractions, which are drawn from a specific ethnographic focus, offers important lessons for other intermediary players in trade, for anthropologists, and for policymakers.

Chapter 2: Locating the Fabric Supply

2.1 Introduction

Before one can understand how Indians mediate export deals, one must first understand the fabric supply industries in Keqiao. This chapter lays out the background to Keqiao's rise as the central hub of fabric wholesale in China, focusing on historical moments that are significant to this development. It shows that the intertwining of the state efforts from above and Chinese entrepreneurs from below are major driving forces to the rapid development of the Old Marketplace, the area where the densest clusters of fabric wholesale outlets are found in China. Then, the chapter provides a detailed account of the Chinese suppliers and their wholesale business activities in the Old Marketplace. The main focus of this account is on the two types of Chinese suppliers: outlet shopkeepers and factory owners. In describing the operation of their wholesale businesses, it seeks to examine the flexible business practices among the Chinese suppliers, especially those of the small business owners. This part of chapter illustrates the complex forms of cooperation among these suppliers, which involve irregular practices; nevertheless, this cooperation contributes to a productive force in the fabric supply economy of Keqiao. It explains why the Old Marketplace can provide a wide variety of fabrics at the cheapest price. Overall, the chapter shows that these Chinese suppliers, who are creative and innovative in their business strategies, play an important role in consolidating the status of Keqiao as the main distribution centre of fabrics for both domestic and global markets. The low-cost

fabric supply niche also fits well with the global sales market that many Indian agents and subagents specialize in, which is always located in Global South.

2.2 A Brief History of the Fabric Supply Economy

During my fieldwork, I was told different stories about how Keqiao first emerged as a bustling market town. Given the lack of consistent historical materials, it is difficult to either prove or disprove the truth of one narrative over another. Yet, according to records at the Shaoxing County Museum and the oral historical accounts I collected, it can be ascertained that a temporary marketplace first[17] appeared in Keqiao in the early 1980s. It started when about 200 temporary stalls and kiosks, all organized by Chinese peasants-turned-peddlers (*nongmin bian baitan*), sprouted on the sidewalks in one area of Keqiao ('Shaoxing Zhong Cheng' 2009). Many of these peddlers hawked homemade greige[18] (*pibu*), which is the most raw of fabrics that a household factory can produce using simple weaving looms. As the trading volume of fabrics increased, a Keqiao-based fabric wholesale market began to take shape, which not only attracted more local Chinese people to join the trade, but it also drew more Chinese traders (both buyers and suppliers) from the outside. The makeshift stalls and kiosks together

[17] I follow Bestor's (2004) definition of marketplace, which is a geographical and physical place in which social interactions are necessary in conducting business. It contrasts with the concept of 'market' that only refers to 'the abstract economic institution or process' (20).

[18] Greige (*pibu*) is the least processed form of white fabric that must be further processed, for example by dyeing and printing, before it is made into garments or other kinds of finished product higher in the textile value chain. In Keqiao, greige is one of most popular fabric items to be found in the marketplaces. Traders who buy greige need either to further process it (e.g. dyeing and printing) or resell it to others. In this sense, the intrinsic characteristics of greige make it an easily traded item within Keqiao, where there are many industrial processing sectors, particularly dyeing and printing ones.

created a temporary marketplace adjacent to Wanshang Road, the main street in Keqiao (ibid.).

The temporary marketplace continued to expand outside the gaze of the local government during the early days of the Economic Reform era (the late 1970s and 1980s), perhaps partly because there was no precedent in Keqiao. Thus, this temporary marketplace traded fabrics without any official authorization in the early days. It was only when it became well known in the regional fabric wholesale trade that the local government introduced regulating initiatives. In 1983, with the help of the local government, a 3,500 m² permanent marketplace was built in the western part of Keqiao. The marketplace was officially called the 'Keqiao Light Textile Market' (*Keqiao Qingfang Shichang*), and it contained 77 outlets (*menshi*) and 89 smaller stalls available for rent[19] (ibid.). More marketplace buildings were built nearby, and in 1992, with approval of the central Chinese state authorities, the local government renamed the marketplace buildings as the 'China Light Textile Market' (*Zhongguo Qingfang Cheng*). The local government strived to make Keqiao as a leading national distribution market for an overwhelming variety of textile products, particularly fabrics (ibid.).

[19] The building of the Keqiao Light Textile Market was through a fund from the County People's Government, meaning the local government did not receive funds from the central government to build the marketplace (Zhong et al., 2005: 33). This was a rather unique arrangement in China at that time. In this case, it was the private enterprises, not the state-owned enterprises, which played a dominant role in the local economic development.

In recent years, the Keqiao's local government continues to make a high level of commitment to improving the infrastructure of marketplaces. The government also has active agenda in guiding the further development of the local fabric industries (see, e.g. Lu 2015: 17). For instance, the local government has setup several departments and offices, such as Foreign Trade and Economic Cooperation Bureau, which specialize in promoting fabric trading economy in Keqiao, particularly encouraging the Chinese suppliers to venture into export. It also creates some sponsorship schemes that partially fund the Chinese suppliers to take part in local and international textile fairs.

The following section explores how the wholesale fabric market continues to expand in Keqiao.

2.3 The Old Marketplace

In Keqiao, there are a total of twelve wholesale marketplace buildings, many of which are connected by breezeways and bridges (see Figure 2.1). These pathways are a convenient way for people to walk from one building to another, which is particularly helpful during the rainy season, which lasts throughout the summer. Among the local Keqiao people, this area has become known as the 'Old Marketplace' (*Lao Shichang*). The marketplace buildings are open six days a week from Monday to Saturday, and from 8 am to 5 pm. One may find here the oldest elements of the local fabric trade, the highest density of outlets, as well as the widest varieties of fabric items in Keqiao. In total, the Old Marketplace, in a

dense and compressed space, accommodates more than 22,000 outlets in its 3.2 km² of floor space, which is about 900 times larger than the first marketplace unveiled in 1983 (Rupp 2010; Zhao 2011). On an average day, the Old Marketplace exhibits more than 10,000 types of fabrics and attracts over 100,000 overseas and Chinese visitors (Lou 2007: 17). In 2012, it boasted a 55.704 billion RMB turnover of fabrics (Wang 2013: 112).



Figure 2.1. Map of the 'Old Marketplace.'

Outlets are the wholesale units located within the twelve marketplace buildings in the Old Marketplace. A typical outlet is equipped with a large door that does not close, is located in front of a small interior shop space where everything can be seem by the public, and it stores fabric sample hangers and bales of fabrics. In such open settings, the outlets are designed to take on-site inquiries anytime from would-be buyers who might randomly come to visit. Outlet shopkeepers always work in a cramped space, surrounded by the

mountains of fabrics stored in the outlets. In extreme cases, shopkeepers have to sit outside the outlet throughout the day because the interior shop space is stuffed with fabric.

The oldest marketplace buildings are the Lao Shichang Building (D District), located in the western part of the Old Marketplace, the North United Market, and the four North Market buildings on the northeast side of the Old Marketplace (see Figure 2.1). They are also the most popular marketplace buildings in Keqiao, and most of them were opened at the start of the temporary marketplace in the late 1980s. While some of these oldest buildings are regularly renovated and refurnished, others fall into disrepair. Despite the disparities in the state of maintenance, these buildings, together, are considered the most popular spots in Keqiao. The following observations show the popularity of these buildings: (1) it is difficult to walk through the central gathering point of North Market buildings in the daytime because the area is always densely packed with would-be buyers, porters, rickshaws, and minitrucks; all of which run in different directions to fulfil tasks during the peak hour (e.g. loading fabrics onto a rickshaw); (2) the parking lots of these buildings are always full in the daytime to the extent that people bribe the car park managers to get a parking ticket; and (3) nearly all the outlets and small offices in these buildings are leased or sold out, which is in sharp contrast to the less popular market buildings in other parts of Keqiao.

Outside the Old Marketplace, more than one hundred logistic agents gather on both sides of Wanshang Road (literally translated as ‘road of ten-thousand merchants’) (see Figure 2.1). Many Chinese buyers use the services provided by these logistic agents to transport the fabrics they just purchased from the outlets. The service fee is decided according to the weight of the fabric and the transportation distance. Hence, the higher the quantity of fabrics and the longer the transportation route, the higher the fee charged by the agents. As explicitly stated by the logistic agents, the services rate is usually non-negotiable and is standard across logistic agents. It is possible to find some logistic agents willing to offer a slightly lower rate, but I have not heard of any buyers who bothered to spend time on such a search. Indeed, a Chinese buyer once showed his calculations to me, and the logistic fee was rather cheap as compared with the price paid for the fabrics. The logistic agents can maintain such low rates by employing trucks and trains for the fabric delivery, which are the cheapest forms of transportation in China. In addition to the low costs in logistics, buyers enjoy an extensive logistic networks provided by these agents. The possible destinations of these fabrics cover nearly every part of China, ranging from a nearby small village within a ten-minute drive to a borderland city at the margin of the Chinese national boundary (see Figures 2.2 and 2.3.). The destinations constitute the trading networks across China, with Keqiao as the centre for fabric trade.



Figure 2.2. Trucks unloading stacks of fabrics in front of a marketplace building (*Left*). Two billboards advertise information on the transportation route provided by a logistic agent in the Old Marketplace; the agent provides delivery networks as near as Hangzhou, within a half-hour drive from Keqiao (the right billboard) to as far as the northern frontiers in Inner Magnolia Autonomous Region (the left billboard), which takes at least four days (*Right*).



Figure 2.3. A goods delivery outlet in Guangzhou's Zhongshan Textile Market, which provides logistics services between Keqiao and Guangzhou.

2.4 The Outlet Business

There are about 15,000 Chinese running outlets in the Old Marketplace, with 40 per cent of them local to Keqiao or nearby areas, whilst most of the others[20] come from Yueqing and Wenling counties in Wenzhou prefectural municipality, the southern Zhejiang Province (Lou 2007: 21). Among the outlet shopkeepers who are internal Chinese migrants, over half of them have stayed in Keqiao for more than 5 years (Jin et al. 2004: 52). Among these 15,000 shopkeepers, Yueqing outlet shopkeepers are arguably the most successful in the Old Marketplace, given

[20] For anthropological studies of internal Chinese migrant entrepreneurs, see Zhang (2001) and Xiang (2005).

that many of them are also running large-scale factories and stockrooms in Keqiao, other nearby areas or their hometowns.

To give readers more sense of the place and the people, I will provide some snapshots of the daily rhythms in the Old Marketplace. In Figure 2.4, many outlet shopkeepers who come from Taizhou municipality of Zhejiang Province gathered around food carts in the Old Marketplace. Because cooking is banned inside the buildings, people usually buy a quick lunch from food carts that offer hometown food. As they become frequent clientele, the food vendors will collect the used lunch boxes and money in the late afternoon. However, in addition to food carts, there are many well-known local restaurants that offer Chinese regional cuisines that cater to the tastes of the outlet shopkeepers who come from across China. Dishes include Shaoxing stinky dishes, Wenzhou seafood noodles, chilly Sichuan food, and Fujianese hot snacks.



Figure 2.4. Mobile food carts sell Taizhou-style lunch boxes weekdays outside the North United Market.

Outlets selling similar fabric items always appear on the same aisles or corners of the marketplace, although the available fabric items in Keqiao cannot be easily categorized or classified. While many outlets specialize in similar fabric items, they also strive to develop distinct qualities of each particular item, thereby enhancing their market competitiveness. It is easy to find more than a few thousand types of fabric samples displayed in an outlet.

The cost of renting an outlet varies, depending on the outlet's location in the market buildings. It is more expensive to rent outlets at strategic locations, which are the ones most accessible for walk-in buyers and porters and for parking

minitrucks. For instance, the annual rent next to the main entrance is about 400,000 RMB. In comparison, the annual rent of an outlet of a similar size and condition, located on a higher floor and farther away from the entrances and gathering points, is around 100,000 RMB. However, many people in Keqiao cannot afford even this lowest rent. Thus, many smaller-scale shopkeepers group together to co-rent an outlet, though they operate their businesses separately.

In fact, the operation of combined outlets within one outlet space is a noteworthy business strategy in the Old Marketplace. In one corner of the North United Market, one can find more than twenty combined outlets, where each is shared by two or three units that operate separate businesses. Officially, this practice is against the outlet regulation—'an outlet should allow the operation of only one business'—that is printed on the registration certificate that hangs on the walls of each outlet. Nonetheless, many outlet shopkeepers reassure me that this combined outlet business practice has existed in Keqiao since the first outlet came into existence in 1983. When asked about the registration certificate, shopkeeper Wu Bing explained it was just a 'Paper Tiger' (*Zhi Laohu*; a Chinese proverb). He said:

> You must get one [registration certificate]. But after you get it, no one really cares what you're going to do with it. You can sell it. You can sublet it. You can mortgage it. These activities are not allowed on the paper. But the government just cares whether the outlet has made a proper registration or not. They never care what we actually do behind the registration. Nor are we doing something big enough worth any of their attention. It's especially true to small outlets like us. We're too small, but we're happy being ignored.

It is obvious that by sharing the shop space and facilities (e.g. electricity), overhead costs are cut for each shopkeeper.

In addition, many of these outlet shopkeepers are willing to sell their fabrics without printing the VAT invoices (*fapiao*), the official documentation that shows the value-added taxpayment in the transaction. Non-invoiced fabrics are cheaper than invoiced ones because a registered private enterprise in China must submit these VAT invoices to the taxation authorities, given that it is the only document showing that they have paid the tax elsewhere.[21] In other words, non-invoiced fabrics mainly attract small-scale Chinese buyers looking for fabric for their own use, such as to use a few hundred metres of fabrics as testing samples. Additionally, there are many informal family enterprises in or near Keqiao that can buy the non-invoiced fabric stocks (*xianhuo*), as they do not pay any tax because they are running their unregistered business. These type of buyers rarely bargain with the outlet shopkeepers, as they used to buy a very small quantities of fabric and the price of fabrics is cheap if it is non-invoiced. These buyers are more concerned with a quickly purchase, having the fabrics delivered immediately to their factory and starting the process of manufacturing the cloth. In short, Chinese buyers who are looking for smaller quantities of fabric and do not intend to resell the fabric would prefer to buy non-invoiced fabrics.

[21] Non-invoiced fabrics, for example cannot be legally exported out of China, and there is no alternative to an official invoice. See Chapter 6.

In contrast, Chinese exporters who buy large quantities of fabric, especially those who plan to eventually export these fabrics, would not buy non-invoiced ones. Otherwise, they would need to find alternative ways to collect invoices, such as buying them from the black market, which is not necessarily reliable or cheap (Barboza 2013).

People who run these outlets, either running a combined outlet or selling non-invoiced fabrics, often take pride in their small and irregular business in the marketplaces. Wu Bing, the shopkeeper mentioned above, told me that the size of his irregular business is too small to call attention from the Chinese authorities. No matter, in the marketplaces, the combined outlets can be easily spotted, and those who operate them have not hidden their businesses from sight. It seems that no one considers this a risk. Another veteran shopkeeper, Xuan Bo, told me that the local government 'couldn't regulate' (*guan buliao*) irregular business like combined outlets because they are ubiquitous in the Old Marketplace, and have been for almost three decades. Based on his twenty years of work experience in Keqiao, Xuan Bo was confident that the local government 'wouldn't regulate' (*buhui guan*) these activities in the future.

Such popular speculation on ignoring this outlet regulation is even shared by the local Chinese officials whom I talked with in casual conversations. Whether working in relation to the fabric trade industry or not, these local Chinese officials recognize the long existence of some unregulated business

activities, such as the combined outlets in the Old Marketplace. To their knowledge, no crackdown has ever been conducted on the combined outlets. Instead of legally dismissing these activities, these local officials gnomically praised the combined outlet operators as 'being clever' (*youtounao*) and as embodying the local wisdom of behaving like a 'Shaoxing Master' (*Shaoxing Shiye*) in historical Shaoxing.[22] Shaoxing Masters were sub-official consultants to the official who worked for the Imperial Chinese court. Those consultants, whose place of origin was overwhelmingly Shaoxing, were famous for their artful tactics in handling disputes and dealing with various levels of officials in a calm, resilient, and thoughtful manner without irritating any parties (Cole 1986: 113–118; Cole 1980). By treating the combined outlet operators as 'Shaoxing Masters' instead of as transgressors, the local authorities provide a tolerant regulating environment for various types of outlets to grow in Keqiao. This, coupled with the flexible business strategies adopted by the outlet operators, has contributed to the expansion of the outlet economy. In turn, it makes the cost of running an outlet can be low and affordable in Keqiao. It also makes the outlet shopkeepers more capable of offering their fabrics in a competitive price or selling the non-invoiced fabrics at a discounted price.

[22] As one Indian in Keqiao said: "Every Shaoxing Chinese is a 'Shaoxing Master.' They always respond to the government very quickly. They are excellent negotiators. I heard from my friends that in ancient times, Shaoxing Chinese were good at helping their bosses to solve problems and to give out brilliant ideas. I think it is still the same Shaoxing culture now, too" (original in Chinese in Zhou 2004: 50; my translation).

Another notable point about the outlets is the vibrant copycat economy. That means, buyers can send a fabric sample to an outlet, wait for a few days, and then receive a replica of it (see Figure 2.5). One Chinese supplier joked with me that Keqiao should be called 'The Capital of Copying Textiles' instead of 'The Capital of Textiles.' The humour is that these two sentences share the same Chinese pinyin, *fangzhi zhidu*. A Chinese outlet shopkeeper described the copycat economy in this way:

> Yesterday a new fabric product was exhibited in the Frankfurt Textile Fair. Today you will find an outlet in Keqiao selling its replica. Tomorrow you will find two outlets selling the same thing, but at a cheaper price. The day after tomorrow, this kind of fabric will be sold everywhere in the Old Marketplace. So that's why you don't need to go out to buy fabric. As long as you know what kind of fabric you want to buy, you can buy it from here. And surely it'll be cheaper!

He added the reason why many Chinese suppliers in Keqiao attend textile fairs in Shanghai, Seoul, New York, Hong Kong, Paris, or Milan was not because they could receive subsidies from the local government for taking part in these fairs. That was also not because they could attract new buyers in the fairs. More importantly, they attended in order to collect the samples of the most fashionable fabric at these fairs, to bring it back to Keqiao, and then to try to replicate it. If they were successful in making a replica at a much lower cost, business would come to them. Also, at these fairs people would buy the pantone books published by some of the famous textile companies. One pantone book, which shows the most fashionable colours for that year, could be as expensive as 1,000 RMB, but many suppliers consider this a good investment if they can replicate the colours in the book and have the fabric products dyed in that colour.



Figure 2.5. 'Makes & Surprise' versus 'Marks & Spencer': A wholesale outlet imitating the layout of England's High Street brand.

With a dense concentration of marketplace buildings and outlets, the Old Marketplace is the central hub for exhibiting a diverse range of fabrics and circulating up-to-date price information. An outlet shopkeeper told me that the Old Marketplace is just like 'a permanent Canton Fair'[23] in the fabric trade, given that whatever fabrics one wants to buy, one can find at one of the outlets there.

[23] Canton Fair, which is hosted in Guangzhou biannually, is the oldest and largest international trade fair in China. It is widely seen as the most important trade fair in China.

2.5 Dyeing and Printing Factories

In addition to the high density of outlets in the marketplaces, Keqiao is also surrounded by an enormous industrial processing sector that specializes in the dyeing and printing (D&P) of fabrics. In fact, D&P factories are the busiest factories throughout the year, and they contribute the largest share of fabric output in the local economy (Table 2.1). The D&P sector in Keqiao constitutes roughly 30 per cent of the total amount of D&P industrial fabric output in China; thus, Keqiao's contribution surpasses that of any other places in China (Zhong et al. 2005: 9, 45). As such, the fabric supply economy cannot be fully explained without scrutinizing the local D&P factories.

Table 2.1. Annual industrial output of fabrics in Shaoxing, including Keqiao, 2001–2010
Source: *Shaoxing City Annals* (2002–2011)

	Fabrics * (10,000m)	Dyed and printed fabrics (10000m)
2001	76,524	525,390
2002	100,799	608,715
2003	109,698	746,306
2004	141,258	1,011,783
2005	293,584	1,319,648
2006	315,557	1,399,193
2007	359,754	1,557,292
2008	461,590	1,642,172
2009	483,815	1,757,401
2010	534,245	2,023,301

* 'Fabrics' include pure cotton, pure chemical, and the flocked fabrics

As I will show in the following sections, many Chinese suppliers in the D&P sector have made strategic business arrangements to maintain a good supply of fabrics in the market. In the following sections, I offered a detailed examination of the social arrangements of two types of business strategies in supplying fabrics. They are 'Full Ownership and Full Control' and 'Partial Ownership, Partial Control, and Co-operative Strategies'.

2.5.1 Full Ownership and Full Control

In Keqiao, there are usually two kinds of linkages at work between the D&P sector and sales units such as outlets and Chinese trading companies (*maoyi gongsi*; see Chapter 6). The first kind can be classified as a direct linkage, whereas the second linkage is more complex because it is partial and indirect in terms of capital and information flows throughout the processes of negotiation, decision making, and transactions. The direct linkage usually occurs in the so-called 'all-in-one' fabric firms, where well-established Chinese entrepreneurs are simultaneously the proprietors of outlets, D&P factories, warehouses, and trading companies. Given that every sector of such a business is under the same vertical line of managerial control and decision making, all-in-one fabric firms are able to offer buyers the greatest business flexibility. For example, this type of business can quickly give precise answers to customers' inquiries by just one phone call to its D&P unit.

It should be noted that outlets are not the preferred sales unit to give out immediate and accurate responses for a large order. This is particularly true because outlets attract random inquiries of swarms of walk-in Chinese buyers, who show up unannounced and are unlikely to place large orders on-site. A large number of Chinese firms do not consider small orders important enough for the high cost of immediacy and precision provided by the full ownership business model. As I witnessed, lucrative export deals valued at a few million RMB are initiated inside the offices of Chinese trading companies in the north of Keqiao, or in the sales department of D&P factories in the outskirts of Keqiao[24] - most of which are other branch sales units in associations with the outlets. Office that are private, not public outlets, are the preferred places to conduct business negotiations, as the size of some transactions require intermediary personnel to take part in the largely backdoor deal-making that requires a higher sense of secrecy. While the direct linkage can be among well-connected players and used for expensive deals, it rarely occurs in outlets. Therefore, Indian agents, who tend to place large-size export deals, knock on the doors of Chinese trading companies or factories more often than visit the outlets.

2.5.2 Partial Ownership, Partial Control, and Co-operative Strategies

The second, more complicated linkage is not bridged by single ownership, but rather is constituted by multilateral, mostly peer-to-peer horizontal networks. This linkage hedges on intensive business cooperation among any number of small

[24] See Chapter 6 for a more detailed discussion on the large business deals, especially those in the export of fabrics through the Indians.

Chinese business owners, who have to collaborate on the very costly production of fabric. Compared to the direct linkage, this linkage relies on strong communication in order to balance the different yet overlapping interests in a business negotiation. This second linkage is obviously more sophisticated in its settings and practice, but nonetheless still very effective in streamlining the production of fabrics.

Unlike the all-in-one fabric firms, these less established wholesale outlets and Chinese trading companies do not have a direct and exclusive supply line of fabrics. Without support from a factory and warehouse, these sales units have to find their own way into the multiple and flexible sources of fabrics in the D&P sector. This linkage is usually built up through personalized social networks, such as kinship, villager-ship, and friendship. Hence, the flow of products, payment, and information is clumsier and less direct through the second linkage. To improve efficiency, small business owners have developed cooperative business strategies that not only link them with the suppliers upstream, but also interlock their business interests with those of the D&P sector; this significantly enhances their control on the supplies of fabric.

In Keqiao, one cooperative interlocking strategy readily employed by small business owners is *baojitai,* literally translated as 'co-own one machine.' As a locally derived business strategy, *baojitai* draws on collective ownership of a machine and networked coordination of its use. It should be noted, however, that

D&P businesses are still run separately despite using one machine. Similar to the business reason behind combined outlets, what underlies the practice of *baojitai* is primarily economics: it is too expensive for either an individual or Chinese family to afford a D&P machine, not to mention a D&P factory. Therefore, to kick-start a D&P business, a number of Chinese families come together to co-buy (*baomai*) or co-rent (*baozu*) a D&P machine from a local factory. The person who makes the single largest investment in the *baojitai* is handed the role as manager and is entitled to use the D&P machine at any time; this person is also responsible for coordinating with the other shareholders on its usage. All shareholders share the operation and maintenance costs.

According to the cases I collected on *baojitai*, the number of shareholders involved in one *baojitai* can vary from five to twenty, and the shareholders usually come from the same village, extended family, or migrant community. A larger number of shareholders of one *baojitai* is commonplace in Keqiao. According to one *baojitai* shareholder, in the 1980s, the cost of acquiring a second-hand D&P machine, which would have been imported from Taiwan and could dye a few thousand metres of fabric per day, was about 50,000 RMB. Since the 1980 a large number of low-income individuals and Chinese families have collectively procured one or more D&P machines to kick-start their first business ventures in Keqiao. It is extremely common for outlet shopkeepers and bosses of Chinese trading companies to bid on a share on one or more D&P machines, keeping *baojitai* as a secondary business.

As my Chinese informants told me, this cooperative system runs rather smoothly in Keqiao, regardless of the large number of shareholders in one *baojitai*. Zhang Wei, an outlet shopkeeper and a manager of one *baojitai*, explained to me how the system works without too many conflicts among the shareholders:

> A D&P machine can be run twenty-four hours a day. Everyone will get a chance to use it. Perhaps you might need to wait in a long queue during the peak season. But the waiting time wouldn't be longer than a week. People who make a tiny investment in the machine are usually also the people who would only receive small order, perhaps the smallest in the group. If this person has to dye just a small order, like 500 metres, he just needs the machine for a day. For me, it's easy to give him a slot. Even if I couldn't assign him a slot, I could refer him to rent my friend's machines instead. He might need to pay a little extra amount of money for that. The order is too small and so the additional small fee should be acceptable. He wouldn't make much money by such a small order anyway. In some cases, I might need to use the machine for the entire two or three weeks for a big order. Then I would pay other shareholders, like buying out their slots to use the machine. And I could refer them to rent my friend's machines if they also have to rush for their orders at the same time. Everyone is very happy in my *baojitai*.

In this setting, Zhang Wei can capitalize on his managerial advantage to quickly produce an order for his outlet with maximum efficiency yet minimum capital input.

The second linkage, however, especially when used by multiple bidding practices, is not perfect in operation. Good quality control is unlikely in this partial ownership scheme, as every order is rushed to be processed due to a long queue all the time in the *baojitai*. Hence, small Chinese suppliers cannot

guarantee their buyers what a final product would exactly look like or whether the product can be delivered on time, regardless of what was mutually agreed upon on the first day of negotiation with the buyers. Thus, negotiations on the first day tend to be imbued with justified ambiguities and ad hoc uncertainness. In turn, buyers do not settle deals with suppliers on the first day because there are risks of being cheated or, at least, not getting what they agreed to. Instead, both parties keep negotiating with each other throughout the process on various matters, such as price, quality, time-to-production, and quantity. Until the product is actually made, no matters are fully settled.

In these kinds of trade with small suppliers, buyers usually end up buying fabrics rougher than agreed upon in the signed contract. For example, the printed colour may be paler than required. However unpredictable these product qualities are, buyers are usually well prepared to compromise quality for price, taking it as an inevitable trade-off when they choose to partake in fabric trade with small Chinese suppliers.

Ironically, the expectation of such a trade-off is also the main reason why many small agents and buyers come such a long way to conduct walk-in acquisitions for the unreliable but cheap fabric supplied by the vast number of small Chinese suppliers in Keqiao. In other words, the buyers are expected to be equally flexible on what they can buy, given their low budget quotes. These buyers may also bargain for more generous credits and discounts for the next

order should they find defects on the final product that are the fault of the supplier. In sum, the outcome of the second linkage always means a compromise between the buyers' offered price and the quality of goods supplied by the outlet shopkeepers, provided that the agents and buyers are equally flexible, mostly due to limited budgets.

This is not to say that partial linkages can be free from any commercial dispute among the machine's co-owners. For example, lacking full ownership, the machine manager may find it difficult to exercise control over the use of the machine, which may lead to internal conflicts among the co-owners if someone jumps the queue without paying the group compensation. Given that partial ownership is not legal business ownership, such disputes can only be settled through informal mechanisms. On most occasions, these internal disputes among co-owners are informally arbitrated with the help of Chinese merchant associations (*shanghui*) or other informal guilds (*shangbang*) that link people through family, friendship, or hometown affiliations. In Keqiao, there are twenty-one Chinese merchant associations, which define their memberships on the basis of the place of origin; for example, people from Fujian Province would have their disputes resolved through the Fujian Merchant Association in Keqiao (see Lou 2007; Tao and Lou 2011; Tao et al. 2011). There is also an alternative where a Chinese gang is called in to mediate the dispute, but this is much less preferred because the 'service fee' to be paid to the gangsters for this mediation is often uncertain.

While Chinese merchant associations and the like are recognized as mostly competent arbitrators, it should be noted that arbitration is only expected to reduce one's loss in a co-ownership business, not fully redeem it. This general expectation offers two insights. First, internal conflicts are mostly seen as an outcome of business misjudgement. For instance, the machine manager may trust the wrong persons (*xincuoren*) before beginning a business partnership with them. In this case, the financial loss would be attributed to a personal mistake. As most machine co-owners told me, paying for such a 'mistake' is a painful yet real life lesson that teaches not to easily trust people when doing business. Hence, the co-owners and arbitrators know too well that a full indemnity would be unlikely for this type of financial loss. Second, it also indicates that the co-owners recognize that there are risks in initiating a *baojitai* with other people in the marketplaces. However, given their limited budgets, many small Chinese suppliers must partake in this kind of cooperative groups in order to maintain diverse and flexible supplies of fabric. In other words, many people are willing take a gamble after evaluating the trade-off between the opportunities and inevitable risks in such a co-ownership supply business.

Co-ownership business strategies like *baojitai* in Keqiao is certainly not a unique phenomenon. In fact, similar cooperative forms of business have been found in other trading cities of Zhejiang Province, as well as among Chinese businesspersons from Zhejiang, especially those from the Wenzhou prefectural

municipality[25] who do business in other parts of China. What is unique about the *baojitai* in Keqiao, however, is the readily available flexibility that comes with the versatile characteristics of fabric materiality and, more importantly, the negotiation process. This flexibility can be socially reproduced and cross-currently transmitted between the D&P sector and sales units, so that many small suppliers can afford to do business despite the risks. The key point is that not much capital is necessary. A *baojitai* can be established no matter whether the co-owners are old or young, educated or illiterate, experienced or novice, or Keqiao natives or internal Chinese migrants from other parts of China.

2.6 Perfect Match for the Global Low-End Market

The chapter has so far examined the internal dynamics of the Old Marketplace, explaining how it generates a flexible, versatile, comprehensive and cheap supply of diverse kinds of fabrics. Various arrangements in the operation of outlets and the linkages between the outlets and factories have made it possible. But, as mentioned, it is not problem-free. First, such a low barrier for people to entry into the fabric trade creates a competitive business environment in the Old Marketplace. For example, outlet shopkeepers may have similar strategies for productions and sales. It is also common for outlets to sell the same kinds of fabrics that can lead to cut-throat competitions among them. Second, the

[25] See, e.g., the Beijing-based Wenzhou migrant entrepreneurs' cooperative strategies such as the consignment-selling model (Xiang 2005: 53–56) and shop-selling through personal relations (127–128). As I see it, these business tactics are similar to those found in Keqiao.

combined business arrangements, in which the shared usage of machines can be complicated, render quality controls of every production difficult.

Interestingly, this is exactly the reason why many Indian agents and subagents have flocked into Keqiao, who are looking for cheap and diverse sources of fabrics. Here, I will sketch a general background of these Indians. More details about them will be given in the following chapters. Most of these Indian agents and subagents in Keqiao are specializing in the Southeast Asian, Middle Eastern, African and Eastern European markets, exporting a large quantity of cheap fabrics in great demands (e.g. Abaya black fabrics in the Middle Eastern markets). These Indian agents and subagents would receive a fixed rate commission that usually ranged from 1 to 5 per cent of a completed deal from their overseas buyers. Many saw such commissions are insufficient to sustain their agent business considering that some established Indian agents specializing in other higher-end market such as the Polish market could earn commissions as high as 30 per cent of the deal profits. During the fieldwork, I was frequently told that the Middle Eastern markets were hitting the bottom low, mainly due to the regional political instabilities brought about by the Syrian civil war and the Arabic Spring protests across the Arab world in 2011. Given that the overseas buyers from these conflict regions refused to pay the agents and subagents more than the minimum commissions, Indian agents and subagents relocate to Keqiao in order to find more leeways to squeeze income from the Chinese suppliers' side.

2.7 Conclusion

Focusing on the local fabric supply sectors, Chapter 2 has explained how Chinese suppliers have contributed to the rise of the fabric supply economy in Keqiao. It also showed that the local fabric supplies are versatile and flexible, thanks to the intensive interactions among the Chinese suppliers in everyday business settings. These interactions are important because small Chinese business owners, despite lacking start-up capital, can still run a brisk fabric supply business. It also shows that continuous negotiations between the supplying and buying sides are key in fabric deal-making processes. Hence, no matter whether the representative from the buying side is a Chinese buyer or an Indian agent, he or she has to do the same work in trading with Chinese suppliers: engage in intensive interactions and several rounds of negotiations before a deal is concluded.

Chapter 3: Indian Agents In Keqiao

3.1 Introduction

Chapter 3 takes closer look into the Indian agents working in Keqiao, exploring how they participate in the local fabric supply economy. First, it shows that these agents run their trading offices in the New International Trade Zone, a new development area in Keqiao. Indian trading offices are concentrated in the New International Trade Zone. It begins with the interviews with two Indian trading elites, who have run their companies in the New International Trade Zone for several years. The interviews reveal that their current business operation seems to wither away from the bazaar economic model, which is still widely practiced by players in the Old Marketplace. The second part of the chapter shows that it is not the case for those with less experience as agents, especially those new to Keqiao. These newcomers still hedge on the 'old' ways of doing trade, which entails extensive search and intensive bargaining in the bazaar-like marketplaces.

3.2 The New International Trade Zone

No Indians ever rented an outlet in the Old Marketplace. Instead, most Indians set up their trading company offices in the New International Trade Zone (NITZ), a new development area 3.5 kilometres north of the Old Marketplace (see Figure 3.1). In NITZ, a plethora of shiny office buildings tower over both sides of Golden Keqiao Avenue. In stark contrast to the ramshackle buildings in the Old Marketplace, these office buildings are much taller with strikingly new and

imposing facades (see Figure 3.2). This area, not so long ago, was farmland with a few peasant villages. But after 2001, new commercial high-rise buildings sprouted up in the area, radically changing this part of the local landscape. Now, NITZ is the most popular area for thousands of Indians who rent offices to run their intermediary businesses. It is also the place where Chinese trading companies, especially those specializing in fabric exports, are located.



Figure 3.1. The map shows the locations of the New International Trade Zone and the Old Marketplace in Keqiao.



Figure 3.2. The Shaoxing World Trade Centre, in which some of the most established Indian trading company offices are located in the NITZ.

While many Indians operate their intermediary businesses in NITZ, this was most likely not the original plan of the developers. One Chinese boss of a trading company told me that most of these office buildings were built in NITZ in the early 2000s because many Chinese suppliers started to do export trading. That also matches when China became a full member in the World Trade Organization (WTO) in 2001, which was important in driving the rapid growth of China's export economy. But for the Chinese suppliers in Keqiao at that time, the news about the WTO was less important, if not entirely irrelevant, than the launch of a new export regulation in China; starting in 2001, private enterprises, including those in Keqiao, received official permission to do import and export businesses (*Jinchukou Yewuquan*) (Wang 2008). This permission had only been given to a

limited number of state-owned enterprises and state-recognized trading firms before 2001 (Shaoxingshi Duiwaijingjimaoyi Weiyuanhui 1993: 4). The introduction of the new export system, in addition to the newfound opportunities in the global market, attracted many Chinese suppliers to venture into the export sector while simultaneously running their outlet and factory businesses. This is what accounts for the sudden appearance of many Chinese trading company offices in NITZ, given that they could only register with the local government with valid office addresses. Hence, at the beginning, these offices were not designed to service Indian agents, who only moved into NITZ later.

There were practical reasons for Indian agents to choose to rent offices in NITZ, such as cheaper rent and better availability of office spaces as compared to the areas in or near the Old Marketplace. More importantly, for Indian agents holding Chinese Z-visas (resident/one-year) and F-visas (business/six-month), who are the majority in Keqiao, they must register their company addresses with the local government, and only addresses of commercial office buildings, such as those in NITZ, are recognized. Moreover, some Indian agents told me that it is more convenient to run their intermediary businesses in NITZ than in the Old Marketplace, as they can directly place orders to Chinese trading companies in the same building or nearby buildings in NITZ, whilst most of the outlets in the Old Marketplace do not do exports.[26]

[26] The Indian trading companies that are registered as 'Representative Offices' have to rely on a Chinese trading companies to process the export procedure. Among Indian trading companies, representative offices are the majority.

This is the viewpoint shared by Rajesh and Vijay, both of whom run trading offices in NITZ. Among the Indians in Keqiao, they run very successful and sizable intermediary businesses and, above all, possess a wealth of accurate, up-to-date market knowledge of fabric and its price range. For them, visiting the Old Marketplace is not important.

3.2.1 Rajesh: My Chinese Suppliers Will Help Me

Rajesh was one of the first veteran Indian agents to rent office space in NITZ. He is a typical example of early Indian arrivals in Keqiao. He began fabric intermediary trade in Dubai in the early 1990s; then became more frequently involved in business trips to East Asia, particularly South Korea and China, in the late 1990s; and he eventually shifted his business base from Dubai to Keqiao in early 2000.[27] In 2005, Rajesh, following other Indian agents, set up a trading office in NITZ. He frequently visited the Old Marketplace in his early years in Keqiao, but now he no longer does so.

The following are some basic features of Rajesh's intermediary business. Regardless of where his business is based, his income always hinges on his ability to find the right kind of fabric in the wholesale market for his buyers. Rajesh's clientele are usually Dubai buyers who trade in large quantities of lower-quality fabrics for the low-end market in the Global South (see, e.g. Le Bail 2009: 10–

[27] There are more examples of this type of trader in Chapter 2 (see also Aiyar 2008: 157–159). For a similar trajectory of Arabic traders to Yiwu, Zhejiang Province, see Pliez (2002: 29).

11). These buyers are willing to pay a higher commission if Rajesh finds the cheapest fabric on the market, even if they may get fabric of poorer quality. In other words, the cheaper the fabric Rajesh can find, the higher commissions he can earn from his buyers.

Rajesh explained that his buyers' preoccupation with low price and high flexibility with fabric quality was because his buyers would probably re-sell the goods from Dubai to other places where the price advantage would outweigh the poor quality. Hence, Rajesh is very price-sensitive, always testing the limits on how poor the fabrics could be to be acceptable to make, buy, and re-sell. Through numerous encounters with this type of buyer and supplier, Rajesh not only developed a very rich knowledge on the prices of a wide range of fabrics, but he also learnt how to navigate flexible arrangements with buyers and suppliers on cheap but large export orders.

Rajesh went to Keqiao for the first time in 1998, the year when the Asian Financial Crisis broke out; many fabric factories closed down in South Korea (Rajesh's former main supplier market) while fabric exports in China continued to grow rapidly. When South Korea could no longer provide the fabrics wanted by his Dubai buyers, Rajesh shifted to make Keqiao his preferred site for finding fabric suppliers. Before 2001, Rajesh was still living in Dubai, shuttling back and forth between Dubai and Keqiao on numerous short-stint business visits. During Rajesh's early trips to Keqiao, he discovered that there were very few foreigners

buying fabric in the Old Marketplace. With that in mind, and without hesitation, he decided to relocate to Keqiao as he saw there should be more opportunities to find cheap fabrics from an unexplored local market.

To explore his new location, Rajesh's early business trips to Keqiao were mainly devoted to extensive market searches in the Old Marketplace. Taking a Chinese interpreter along, Rajesh conducted numerous outlet-to-outlet enquiries so as to find the best and cheapest fabrics for his specialized market. Rajesh remembers that he and his Chinese interpreter had to skip many lunches to maximize the number of outlets they could visit within a day. Rajesh was grateful to the outlet search experiences during his early years in Keqiao, because it enabled him to identify Chinese suppliers capable of making export orders that met his requirements.

I probed further to ask how he could tell whether an outlet was trustworthy. Rajesh surprised me by saying: 'Now I really don't know!' Rajesh claimed that the outlet search was just 'a memory' for him now. In fact, he had not paid a visit to the Old Marketplace for a long time. Sensing I was quite shocked, Rajesh reassured me that he was neither lying to me nor trying to hide his business operation. He emphasized that 'times have changed' because many Chinese salespersons, on behalf of their suppliers, instead come to promote their fabric products in his office in NITZ. He said:

> We begged the Chinese for business once. But now we give them the business. So we don't need to go to [the Old Marketplace]. And they have to find us for business … The Chinese market now becomes very competitive. Everyone is doing export as it's easier to make big money. Many factories can make the same kind of thing. They have to fight with each other to get orders from us.

Rajesh added that in thanking him for placing orders, Chinese salespersons provide all the information he requests, including the up-to-date price of fabrics. That is why he does not need to visit the Old Marketplace anymore.

3.2.2 Vijay: Why Visiting the Old Marketplace Is No Longer Necessary

Vijay is a Sindhi in his late thirties, and his home village is in Jodhpur. Even before I met Vijay for the first time in March 2010, several of my Indian informants suggested to me: 'You must meet him!' In Keqiao, he is arguably one of the most well-known and well-respected Indians. Not only Indians recognize Vijay as such, but also many local Chinese officials praise him in a similar manner. This is mainly because Vijay is involved in many public engagements in Keqiao: he co-founded the Shaoxing Indian Business Association, he helps sponsor the annual Diwali celebration and the daily operations of the local Sikh Temple, he donates to local elderly homes, and he co-established a private international school for Indian and other non-Chinese children in Keqiao (where I volunteered as a replacement kindergarten teacher for a few weeks and, coincidently, one of my students was Vijay's daughter). When I mentioned Vijay to my Indian friends, nearly every one of them adored him for his philanthropy. This was in addition to be being widely recognized as a successful businessman. With more than a two-fold growth in export volume within a year, Vijay's

company was recognized as one of the ‘Exemplary Foreign Companies’ (*Youxiu Waishang Jigou*) by the local Chinese government.

During a series of interviews and conversations in 2011, Vijay shared his long-term trading career. After having worked at an Indian trading firm in Dubai for a year, Vijay was transferred to South Korea, where he worked from 1995 to 1999. Vijay’s office specialized in fabric trading between South Korea and Dubai. During those years, Vijay was chief fabric merchandiser for this Indian firm, working closely with the local South Korean suppliers and the buyers visiting from the Middle East. Thus, Vijay accumulated a long contact list of these Middle Eastern buyers. Having learnt the ropes in this firm, Vijay established his own trading company in Seoul in late 1999, and he moved it to Shaoxing City in 2002—and then he relocated it to Keqiao in 2006. In Vijay’s company, many Chinese and Indians work for him, including his younger brother. Unlike most Indians, Vijay lives with his father, wife, and two children, which is an unusually large Indian family in Keqiao. Vijay thinks of his family as ‘everything Chinese, except the language’ (their ability to speak Mandarin is still rather limited). At the same time, the family pays regular, albeit short, visits to their home in Jodhpur, although Vijay emphasized that these visits have nothing to do with his business in China.

Throughout his agent career, Vijay has maintained long-term business alliances with overseas buyers for at least ten years. Such alliances cannot be achieved by a novice Indian agent. Vijay described his own business network:

> In business, we are just a sourcing agent company. We don't have office in Dubai. My business has nothing to do with India. Our buyers come from Dubai, Syria, Jordan, Egypt, and Saudi. We have very good relations with our buyers … Middle Eastern buyers have a very open mentality. They will let the Indian agents organize everything for them.

Such an extensive business network is partly achieved and maintained by Vijay's versatile linguistic ability. Although his Mandarin is limited, he speaks a few Indian languages and English, and is also fluent in Arabic.

When he is in the office, Vijay is always busy meeting with his overseas buyers and Chinese suppliers, who frequently come to him instead of the other way around. On one occasion, I met one Egyptian importer in Vijay's office, whose family runs two large garment factories near Alexandria and often received big manufacturing orders from U.S. Customs (see Azmed 2014). This man told me that over the years he regularly bought large amounts of fabric from Vijay. With such a high level of trust, he would only buy fabric from Vijay and follow all of his advice regarding payments and other business arrangements with the Chinese. Coming to meet Vijay at least once or twice a year, the Egyptian buyer said his time in China was always stress-free, as Vijay helped solve all of his problems.

Vijay also spends a lot of time outside his office. Quite often, Vijay drives between Keqiao and fabric manufacturing factories in Ningbo, Shanghai, as well as other cities in Jiangsu Province. That usually means driving more than 200 kilometres one way, which means he spends a whole day driving. Rather than going to the Old Marketplace or factories nearby, which would be less than a twenty-minute drive from his office in NITZ, Vijay said he had to go farther in sourcing fabrics. The main reason is that he is looking for higher-quality fabrics for his buyers, thereby reducing dependence on the generally low-end, poor quality, and cheap fabrics in Keqiao. Moving away from the large quantity/cheap sales model, which is practiced by most Indian agents in Keqiao, Vijay is shifting to the more high-end markets, such as business suit fabrics, that offer a higher rate of profits per unit sales.

Trading elites such as Rajesh and Vijay told me that they did not find visits to the Old Marketplace necessary now, as they were not running a large quantity/cheap sales model. Claiming that the large quantity/cheap sales model supported by the Old Marketplace has already become rather unsustainable, Vijay predicts that only a few Indian companies will survive in Keqiao's fabrics market in the future. He drew from his former business experiences in South Korea, where only ten out of hundred companies operating the same kind of business weathered the 1998 Asian economic crisis. He paints a similar future scenario for Keqiao, where the fabric trading economy has been worsening since the 2008 global economic crisis. In Vijay's picture of Keqiao's future, only 'big-scale

business will win and small traders will disappear from the scene.' Emphasizing the importance of business scales and moving up the supply value chain, Vijay firmly reminds me that in my fieldwork I need to pay attention to 'only the Indian companies which have more than a ten-year history,' such as his company. Vijay believes that agents who spend too much time in the search for cheap fabrics will unlikely have a future in Keqiao.

From what I observed in their offices and in my conversations with Rajesh and Vijay, it is obvious that both of them hold very strong transnational intermediary networks in which their overseas buyers trade with them based on a high level of mutual trust. That was, of course, a hard-won result of their long-time agent careers traversing India, the United Arab Emirates, South Korea, and China, so their work in Keqiao constituted only a small part of their transnational business experiences. Given the strong buying capacity these two veteran agents can offer, it is not surprising that in Keqiao they are more sought after by Chinese suppliers and salespersons than the other way around. Rather than bargaining with suppliers, Rajesh and Vijay have more leeway to decide how much their buyers should pay for export orders.[28] There was certainly no reason for Rajesh, Vijay, or other equally established Indian agents to bargain with fabric sellers in the Old Marketplace.

[28] For instance, a Chinese salesperson, who had promoted his company's items to Rajesh before, told me that Rajesh is knowledgeable in a wide range of fabrics, making him a very difficult negotiator to deal with. For instance, Rajesh could immediately quote the price of a fabric without checking any records. That is, as the salesperson said, even faster than a computer. Another strength of Rajesh's is that he is always able to place large-quantity orders, which puts him a strong bargaining position to get much cheaper production from the suppliers.

However, this is probably only the situation of the Indian trading elites. For novice Indian agents and subagents, they told me that it is not so convenient to work in NITZ. That is to say, NITZ does offer transactional convenience, such as meeting set-up, exchanging documentation, and arranging payments for exports. But it does not offer convenience to find all-important information. For example, market information on fabric, such as price and product varieties, is not as well circulated in NITZ as in the Old Marketplace. While many Chinese trading companies in NITZ are equipped with fabric showrooms, they often only exhibit specialized items, and usually not more than a hundred samples per company, which was manufactured by the companies' connected factory. In stark contrast, it is typical to see tens of thousands of fabric samples hung within the cramped space of a small outlet in the Old Marketplace. In other words, the Indian agents would not find the cheapest fabric or get the most up-to-date price of it in NITZ, unlike in the Old Marketplace. Conversely, I had seen many Chinese friends, who were working as salespersons (Chapter 6) and clerks (Chapter 5) at Chinese trading companies in NITZ searching for fabrics in the Old Marketplace on behalf of their overseas buyers. They told me that in order to know the best price to buy fabrics, they had to spend time in the Old Marketplace.

3.3 'Indian Price' Malaise in Keqiao

So what is going on? As I learnt later, many of these Indian trading elites actually often dispatched Indian subagents to the factories, if not the Old Marketplace, so

that they could collect fabric samples and check prices. In this sense, the veteran Indian agents still valued the collection of local market information, despite not doing it directly themselves. At the same time, the Indian agents who were less established, especially the newcomers, tried to explore the Old Marketplace because they were eager to learn about the local market. Obviously visiting outlets is a good starting point. In other words, both subagents and novice agents *need* to visit the Old Marketplace.

After only a few trips to the Old Marketplace, these Indians soon realize that Indian-looking persons are generally not welcome there. They told me that some outlet shopkeepers showed very offensive attitudes during their visits, even telling them to get out immediately without giving any explanation. Only a few shopkeepers allowed them to cut any fabric samples, but most said that they would not do business with Indians. As a result, in spite of sustained efforts, these Indian agents and subagents found visits to the Old Marketplace a very bad experience. All of them stopped going after their first few attempts.

In order to answer the question as to why this occurred, I visited the Old Marketplace a few times in search of insights from the suppliers' side. According to the outlet shopkeepers I talked to, including Wu Bing and Xuan Bo (discussed in Chapter 2), the general distaste for Indians in the Old Marketplace can be attributed to their over-aggressiveness: the ways in which Indians—probably the predecessors of those subagents and novice agents—collected fabric samples was

usually frenetic and very few of them would buy or place orders in the outlets.[29] More specifically, as one outlet shopkeeper put it:

> They [Indians] just come here to cut many fabric samples, ask lots of questions, and never come back again. Then they take our samples to other outlets and ask if they can make the same thing at a cheaper price. In this case we will never get any order from them. It really hurts our business. So we don't give any samples to Indians now. When an Indian calls in, I'll just cut off the call.

Such behaviour was widely perceived by the outlet shopkeepers as disruptive to the established order in the Old Marketplace. This is because it not only led to keener competition in Keqiao's export market, but it also brought indirect disturbance to the domestic market order within the Old Marketplace, largely due to the Indians' large quantity/ cheap sales model. That is to say, Indian agents were able to place orders in an outlet that were of larger quantities than a usual domestic order (e.g. a fully filled container). As such, these Indians often used the quantity factor as a leverage to bargain with the Chinese suppliers for a lower unit price—much lower than the price that would have been offered to a Chinese buyer who trades on smaller quantities for the same product.

Outlet shopkeepers would try to keep the price difference a secret so as to avoid upsetting their Chinese buyers, but it was found that the Indian agents often leaked such price information to the Chinese buyers who frequented the Old

[29] The extensive outlet-to-outlet search is also employed as a local business strategy among the Indian agents in other Chinese marketplaces such as in Yiwu (see e.g. 'Zai Yiwu De Yinduren: Cong GOD dao DOG.' 2013).

Marketplace. During my fieldwork, a Chinese buyer told me that she would always consult her Indian friends before making a deal because she was thus able to secure the best price for a domestic trading order. Having collected the pricing information from Indian agents, she was able to pressure the outlets to sell fabrics at, or at least much closer to, the 'Indian' price, despite her smaller-quantity order. Hence, from the perspective of the outlet shopkeepers, their efforts to prevent such information leakage was for naught, given that their primary business interest relies on domestic trade with Chinese buyers, not the export business with Indian traders. That explains why many shopkeepers said 'no Indians are welcome' in their outlets. As such, they would neither provide fabric samples nor tell their fabric prices to any Indian visitors. This is how Chinese outlet shopkeepers sought to keep a stronger bargaining position in the domestic trade market.

Facing such barriers, many Indian agents, especially the newcomers, instead did made many factory visits in order to collect information about fabric and its price. But, given that these factories are often spread out in different parts of Keqiao or located in other cities, they could visit no more that three or four factories per day. A daylong factory visit is obviously less effective than spending a day in the Old Marketplace.

In sum, while the Old Marketplace is the central hub for market information on fabrics, Indians are not welcome there because it is believed they

bring an undesirable effect to the domestic fabric trade, which is the mainstay economic activity in the Old Marketplace.

3.4 Local Difficulties and Transnational Challenges

Such 'Indian price' malaise is certainly bad news for newcomer agents in Keqiao who, unlike their trading elite counterparts, have no regular big buyers and must rely on their limited local capabilities to find potential buyers for the cheapest fabric. First, it is difficult for them to collect accurate and comprehensive market information on fabric, given that they are not well trusted by most suppliers in Keqiao. Second, considering that many of them are relatively new to the intermediary business, it is difficult to convince their overseas buyers to place order through them. Given that the newcomers are actually the majority of Indians agents in Keqiao, the competition for their survival is high. In short, these newcomer agents, usually lacking capital, knowledge, and networks in fabric trade, face tremendous pressure from both the local and transnational sides.

The following stories of two newcomer agents, Sankar and Aswani, show these local difficulties and transnational challenges in more detail.

3.4.1 Sankar: Waiting a Long Time for a Big Order

Sankar's agent business is by no means considered successful. Sankar is a forty-year-old Sindhi from Ajmer. Prior to settling in China, Sankar had worked for his

brother as a fabric agent in Dubai since 1991. He then established his own wholesale outlet for fabric trade in Ajmer in 2002. He then travelled intermittently between Dubai and India for his Ajmer outlet business till 2009, when his business was forced to close down. The reason for closing, as Sankar claimed, was because local corruption had badly plagued his business. Following his brother's advice, Sankar moved to Keqiao in 2009 in the hope of kick-starting a new agent business in China. Whilst Sankar was entirely responsible for setting up his own business in Keqiao, he had to rely on his brother for buyers' orders from Africa via Dubai.[30]

I met Sankar for the first time in early July 2011 when I interviewed him in his minuscule bedroom-cum-office. Given his limited budget, Sankar could not afford a workplace and living quarters, so to cut overhead costs he found a cheap room to sublet from another Indian; this was much cheaper than any other place he could get from local property agents. The financial situation of Sankar was strained, as his agent business had not done well since coming to Keqiao.

During a large part of my fieldwork, Sankar held a Chinese L-visa (tourist/three-month) and was in the process of applying for the F-visa, which would entitle him a longer stay in China. To save money, Sankar was preparing the visa application on his own, in contrast to what most Indian traders prefer to

[30] For Africa–Dubai trade bypassing China, see Keshodkar (2014). Also see Marchal (2005) on the historical and contemporary strong ties between Dubai and Africa in trading. Also see Mathews (2011: 63–64) to see why some African traders prefer to buy Chinese-made goods in Dubai.

do, which is to obtain a visa through local Chinese law firms. For the F-visa application, Sankar first had to register a shell company overseas and open an offshore bank account, which he already had done in Hong Kong. I helped Sankar to phone-activate the Hong Kong bank account, as he could not quite understand the procedure dictated by the automated phone system. However, not until close to the application submission deadline did Sankar realize that his preparation was insufficient because the policy for an F-Visa application was unnoticeably amended in mid-2011. Before the policy change, Sankar only had to submit company and bank statements for local verification in Keqiao. But now, the documents could only be verified in Keqiao after they have been certificated in the place where the company is located: in Sankar's case, this was a shell company in Hong Kong. Due to this policy change, Sankar could no longer complete the application process on his own. Because his company was actually in operation, he could not, of course, get valid certification from Hong Kong. Thus, Sankar had no option but to apply for a new visa with the help of a local Chinese law firm. This cost him more than 10,000 RMB, which was threefold his original budget. This is why, in order to compensate for this unexpected expense, Sankar gave up his rented room and moved temporarily into his Indian friend's guest room. In May 2012, Sankar finally received his new F-visa, which was more than six months after he had initially started to prepare his visa application.

At the same time of the hassles with his visa application, Sankar's agent business was not going well. Sankar told me that he considered himself 'still a

beginner' in Keqiao, having much more to learn. Notwithstanding his optimism, fortune remained illusive throughout 2011 and into 2012. Most Chinese suppliers refused to do business with him, despite his concerted approach to them. One wintry day, I accompanied Sankar on his tour to several Chinese trading company offices in NITZ, a humdrum routine in Sankar's working life. He was in search of supplier who was exporting satin, which is one of the cheapest kinds of fabric commonly found on the Keqiao market. To Sankar's disappointment, he was turned down by all the Chinese suppliers we met. This outcome came as no surprise to me, however, as I saw the pricing discrepancy between Sankar and the suppliers was too wide to bridge: Sankar was steadfast in his suggested price, which was at least eight RMB short of what any supplier would accept. Sankar claimed that his suggested price had been accepted before, but the Chinese suppliers said they could no longer do business at that price due to surging production costs. Even after one fruitless attempt after another all day long, Sankar still insisted that it was impossible to increase his offer, as African buyers would not accept that price. Sankar said that the consumer market in Africa was too weak, which is why he was now facing a transnational deadlock in his agent business.

A veteran agent would probably classify Sankar's situation as a failure or a business that could not last long. Nonetheless, it should be pointed out that Sankar was neither quixotic nor a scrounger. Instead, he remained placid, patient, and pragmatic, always equipped with a well-calculated budget in mind. Still seeing

himself as an early entrant into the Chinese market, Sankar simply blamed his zero-order performance so far on bad luck, and he believed that everything would soon turn around. This thinking did not appear like blind faith, as Sankar's previous business experience in Dubai taught him that 'one big order' could immediately rescue his agent career. That lesson was learnt from a previous order from Africa when he conducted business in Dubai for his brother. Linked up by Sankar's brother, the buyer placed a large order with Sankar. This single deal paid for a few months of Sankar's living expenses in Dubai. Given that the living cost in Dubai was at least three times more than in Keqiao, as Sankar pointed out, he could afford a much longer time in Keqiao waiting for that 'one big order.' He felt this way even though he had been living on his savings. Here I paraphrase what Sankar's told me: if Keqiao did not work out his way, he could opt to return to India at anytime because staying in Keqiao had never been a permanent plan.

3.4.2 Aswani: I Don't Want to See My Brother

Sankar's story reveals some common hurdles that new Indian agents encounter in Keqiao. Usually operating their intermediary business on limited business networks, these agents face a lot of difficulties and challenges in doing business in Keqiao. The following story of Aswani, a young, new agent in Keqiao, demonstrates the tensions that result from weak transnational connections.

One afternoon in March 2012, I sat in Aswani's office along with Chinese salesperson Fu Bingjing. It was the first time I could talk at length with Aswani.

Prior to this afternoon, we had only once played pool shuffle, which is an Indian billiard game. I had been told that six or seven Indians, including Aswani, played pool shuffle every night in an amusement arcade. Aswani, in his early twenties, was a Sindhi from Ulhasnagar, which is also known as 'Sindhinagar' in the greater metropolitan region of Mumbai, thanks to its overwhelming Sindhi populations. Although Aswani was the owner of a trading company in Keqiao, his company could only be run in connection with his elder brother's business in Dubai. Nearly of all Aswani's buyers were introduced to him by Chugani, his brother, and on some occasions Chugani was even Aswani's direct buyer. Aswani earned commission fees once the Dubai buyers, including his brother, paid the Chinese suppliers. Because of this, Chugani had an important say in Aswani's business in Keqiao.

Throughout this particular morning, Aswani reiterated that 'the market is really slow.' He claimed that his business suffered from the extremely small number of orders received from Dubai, although he continued to receive many inquiries through Chugani. As it happened, Chugani was due to visit Aswani the next day, which would be the third time in a year to check 'what's gone wrong' on Aswani's side. Seemingly worried about his brother's visit, Aswani told me that he did not want to deal with Chugani at all because Chugani suspected that he was not doing his job properly in Keqiao.

This was related to one of Aswani's work duties in Keqiao: to find and send a number of fabric samples to Chugani's shop in Dubai, with a list of prices quoted by Chinese suppliers. Aswani was expected to find Chugani the most marketable fabrics so that Chugani could attract more buyers to place orders in his shop. But given that there had not been much business in recent months, Chugani was starting to question if Aswani was doing this task well.

Aswani had found it difficult to explain this to Chugani, as he believed he had done diligent market searches in Keqiao. In fact, he said that his poor business performance was more likely due to Chugani's Dubai side rather than his in Keqiao, as the Middle Eastern market was 'very slow' at that time. Fu Bingjing agreed with this estimation. At one point, Aswani explicitly said: 'My brother has no faith on me!' In addition to expressing anxiety on Chugani's visit, Aswani suggested to Fu Bingjing, a long-time salesperson with whom he had worked in Keqiao, that at such a difficult time, Chinese suppliers should not be too 'pushy' on payment deadlines, or otherwise overseas buyers would be even more deterred from placing orders with them. Aswani emphasized that he had no control on his elder brother's business in Dubai.

3.5 Conclusion

This chapter has discussed the stories of some Indian agents in Keqiao. In the process, it answered one important question. Why did Indian agents work differently from each other? First, it showed how the Old Marketplace had became an unfriendly zone for most Indian agents in Keqiao, who thus set up

offices in NITZ. This was a positive event for established Indian agents, such as Rajesh, who tended to leverage strong transnational networks, or for agents such as Vijay who traded in higher-value goods in an intermediary business. But that was a different story for the newly arrived agents who were struggling to find reliable market information and buyers to place orders. Some of these agents, such as Sankar, believed that working hard would eventually turn things around, while others, such as Aswani, constantly worried over the growing pressures of a failing business. Despite the pressure from both the local and transnational sides, many newcomer agents stayed on and kept fighting for orders. Some of them decided to stay in Keqiao, despite not receiving any orders for a long time. These newcomer agents face many challenges and difficulties, and they can only hedge on weak transnational networks and poor local knowledge. The next chapter discusses the internal dynamics of an Indian trading company and how some subagents (an even more powerless group of Indians in Keqiao) develop strategic plans to improve their vulnerable position in the fabric trading economy

Chapter 4: Indian Bosses and Indian Workers

4.1 Introduction

Chapter 4 examines the internal configuration of Indian trading companies in Keqiao. The main focus here is on the Indian subagents who work for the Indian agents. Through the use of various case studies of this group of Indian workers, this chapter probes the changes in the work and lives of Indian subagents during three consecutive stages: arriving in Keqiao, being immersed in the local market, and becoming self-employed agents. The fact that all subagents' traverse these three stages explains why Indian business practices continue to be replicated in Keqiao, despite both the increasing competition from within the Indian population and the market uncertainty currently casting a heavy shadow over China and beyond. It shows that Indian subagents, by successfully completing these three stages, can counteract these structural and economic disadvantages through self-enterprising strategies.

4.2 The Basic Setup of an Indian Trading Company

When I was in Keqiao, I asked every Indian boss I talked to about their plans, preferences, and practices in relation to employment and staff management in running their fabric trading business. First and foremost, these Indian bosses always appreciated the fact that they had much more freedom in China to decide whether they would hire employees or not, and if they did hire staff, to choose whom they should employ. Neither of these management choices, as the bosses

emphasized, were a given in other host countries that have stricter regulations on how companies operate and labour laws. This was particularly true in those countries, such as the United Arab Emirates, that forced foreign-owned companies to employ (at least on paper) a certain number of workers with local citizenship (see Vora 2013: 111–114). As such, they stated that it was relatively easy to establish a trading company in Keqiao in line with whatever workforce they preferred, although this was not done without its hurdles.

Except for a few Indians who worked entirely on their own and did not employ anyone, the majority of Indian bosses preferred to hire both Indian and Chinese workers in order to form the strongest workforce they could afford. Among the Indian trading firms I came across, the most common type I found were small-scale trading companies: in a tiny office, an Indian boss would work alongside a Chinese young woman and an Indian young man, who worked as clerk and subagent, respectively.[31]

In these small companies, an Indian boss cannot delegate all the work to his employees. With companies of this scale, the boss still has to complete many tasks, particularly when brokering the larger or more on-going deals

[31] Indian trading companies with more than one Indian shareholder, particularly those running in the form of a joint family business, can also be found here. In such companies, there are often more Indian and Chinese employees. Nevertheless, Indian bosses and co-bosses of larger firms stressed that they started their businesses in Keqiao with fewer staff, and insisted that their businesses had expanded not long before. They also stated that they were always prepared to downsize at any moment if the business was not going well. Generally, an Indian trading company with as few staff as one Chinese clerk and one Indian agent can be considered the prototype of an Indian trading firm in Keqiao.

commissioned by ‘important’ overseas buyers: ‘important,’ that is, to the extent that the boss would not entrust his subagent to take part in the deal-making. In other words, the boss would work as his own agent in many instances to avoid becoming a victim of business espionage. In the case of smaller or newly commissioned deals, the Indian boss might authorize his Indian subagent to deal with buyers of less significance, especially when it would otherwise be impossible for the boss to single-handedly deal with every minor detail of the smaller trade. Furthermore, almost every day the subagent would be dispatched by the boss to search for new suppliers who might offer a cheaper price for the fabric items the boss was targeting. Working in this way, the job performance of a subagent was measured against how many profitable export deals he could broker for the company. In other words, although Indian bosses worked independently, they also relied on their Indian subagents to expand their local business networks in Keqiao.

4.3 Arriving with Indian Languages and Religion

In my fieldwork, I needed to learn more about how subagents worked. Some of these questions were: Why do Indians come to work as subagents in Keqiao? What are the key factors that drive the linking of Indian bosses with potential recruits from India? How do the Indian bosses undertake transnational recruitment?

A starting point for answering these questions is to consider the case of subagent Anand, who came to Keqiao from Mumbai three years ago. Since

starting work as a subagent, Anand has been paid 4,000 RMB a month—with living accommodation provided— which is more than threefold what he could make in India. In addition, his Indian boss also paid for his initial airfare to China, his insurance, and his Chinese visa application and subsequent renewal fees, which (in my calculation) cost more than 20,000 RMB in total. In Anand's case, his Indian boss, Subash, paid for everything. However, it is more common for Indian subagents to be asked to share the travel and visa fees or even be asked to pay all the fees incurred to get to Keqiao. In some extreme cases, bosses break their promises and deduct the costs from their subagents' salaries.

Like many other Indians who work as subagents in Keqiao, Anand got his job through an indirect yet personal connection. Anand's maternal uncle, who runs a shop in Andheri selling cloth, already did business with Subash when he introduced him to Anand. At that time, Subash was looking for an Indian to work for him in Keqiao. In this kind of transnational recruitment from India to China, no recruitment agency or broker company is involved and, in fact, none are necessary because the scale of employment is very small. An Indian boss usually recruits one person at one time and, therefore, the more informal ways of finding candidates is preferred. For instance, some Indian bosses found their Indian subagents after a brief return visit to India or other countries where they had lived or done business. For bosses who could not spend any time outside of China, they would ask their family members and long-time business buyers in India for personal recommendations.

Precisely because of this general lack of formal recruitment procedures, the Indian subagents I asked were bewildered when I requested their résumés. In fact, not one of them could send me their résumé because none had one! When I asked the Indian subagents how they gained their employment, there were as many responses such as 'my uncle gave me the job' or 'my friend introduced me to the boss' as those saying that the job opportunity had come from a stranger. These gratuitous meetings occurred in a wide variety of places: a Sikh temple in the rural town of Haryana, a friend's wedding party in the suburbs of Mumbai, a pilgrimage tour in Haridwar, an Indian restaurant in Dubai, and a hotel lobby in Bangkok. What these locations have in common is that they are all communal places and public spheres. Thus, these Indian subagents serendipitously got to know their Indian bosses and then decided to follow them to Keqiao. This means that Indian bosses and their Indian subagents are distant relatives, friends of friends, or simply strangers at the very beginning;[32] in other words, a subagent is typically someone who is not a close family member or friend of his Indian boss, or, really, any other Indians in Keqiao.

Partly for this reason, the Indian subagents I met in Keqiao came from different parts of India, including Amritsar, Delhi, Agra, Ajmer, Jaipur, Jodhpur, Surat, Ahmedabad, Mumbai, Pune, and Goa. In many cases, the subagents did not

[32] Immediate kin members (e.g. brothers) are rarely recruited. Instead, Indian brothers either typically work as business partners or establish separate, independent trading companies in Keqiao.

share the same place of origin as their bosses, whether that was in reference to nationality, hometown, or place of residence. Compared with their bosses, who were mostly in their late thirties and early forties, most Indian subagents I met were in their early twenties or even younger. This trend exists mainly because Indian bosses generally prefer to employ younger men on account of the fact that they are expected to learn quicker and work longer hours. Moreover, the younger subagents, unlike their bosses, are usually bachelors, so Indian bosses could generally assume they did not have concerns about bringing wives and children. This would considerably increase their cost of living in China, or, crucially, as interpreted by Indian bosses, the cost of hiring.

Despite all of these prevailing differences, it is noteworthy that most Indian subagents in Keqiao are Sindhis who speak the same Indian languages and, to a large extent, carry out the same religious practices as their bosses, as most of their bosses are also Sindhis (see Chapter 2). They can speak Sindhi, Hindi, or Gujarati with each other; and, as is generally the case among Sindhi entrepreneurs and workers of the diaspora (Thapan 2002; Ramley 2008), most Sindhi bosses and their subagents are active and dedicated practitioners of the Sindhi religious tradition in the personal, household, office, and public spaces of Keqiao.[33] For instance, in the Sindhi religious festivals of Cheti Chand, Sindhi subagents celebrate in a hotel congregation together with their bosses; some subagents also regularly assist in the organization of the hotel congregation, which is mainly

[33] Vora (2013: 102) makes a similar observation about the religious lives among the Indians in Dubai, where many Sindhi bosses in Keqiao have previously done business.

arranged and sponsored by their Sindhi bosses every year (see Cheuk 2013a: 215). Additionally, many of them, especially those coming from western India, such as the states of Maharashtra and Gujarat, are devotees of spiritual masters, including Sai Baba of Shirdi (1838–1918), Vicakshan Shri-ji (1912–1980), Baba Ramdev (1965–), and Sri Satya Sai Baba (1926–2011) (see Figure 4.1). Even though many Sindhis are followers of these charismatic figures, following their teachings is not exclusive to those who self-identify as Sindhi. Rather, these masters are widely followed by both Sindhi and non-Sindhi Indians in Keqiao (with the exception of about a total of twenty people comprising Khalsa Sikhs and Sindhis, who self-identified as atheist).



Figure 4.1. In an office, an Indian altar with the images of Baba Ramdev (top), Sai Baba of Shirdi (middle), and a small cartoon-style poster featuring the Chinese Lunar Year of the Tiger in 2010 (bottom).

Following the teachings of these masters does not involve any explicit form of daily ritual. Instead, the Indian bosses and the subagents were often found sharing their words of wisdom, which is seen as a way to boost morale when working. For example, it was not uncommon for Indian bosses to use these masters' teachings in order to educate their Indian subagents (who may or may not be adherents) and to try to inspire them to work harder. In one particularly popular method, an Indian boss would share quotes from these masters' teachings with his Indian subagent via text message and e-mail. One example is a quote from Sai Baba of Shirdi: 'The harder the circumstances, the more trying the environment, the stronger are those who come out of those circumstances', which is one way of 'encouraging them to work harder,' in the words of one Indian boss. This is similar to what Bakunina (2013: 88–94) identified in her ethnography of urban Indian entrepreneurs, in which bosses in companies promote the salient nonreligious elements in a religious tradition, especially those that focus on self-improvement and personal growth in a person's career development, which is one way to instil a stronger work ethos in the workforce.

Another major indicator of the shared religious orientation of both the Indian bosses and subagents are the rites of worship that are performed inside offices. The bosses and subagents conduct their daily ritual together, or, more commonly, the subagents are asked by the bosses[34] to join in their practices. In the

[34] For an in-depth discussion of how Indians practice their religion in places of work and business, see Laidlaw (1995).

Indian offices I visited, it was common to see miniature portraits and small plastic statues of Hindu deities, such as Hanuman, Lakshmi, Krishna, and Ganesha, placed conspicuously on the platform of a small shrine or inside a well-decorated altar (see Figure 4.2). To invoke these deities' blessings in the workplace and on the business, a devotee conducts Hindu devotional ceremonies (*puja*) in the office twice a day, once in the morning and again just before sunset. When performing *puja* in a company, the devotee, besides chanting (*japa*) and holding a burning incense stick, anoints a small vermilion on the images of the Hindu deities and, one after another, on all the instruments that they use every day in their fabric trading business: the rulers, scissors, computers, calculators, and so on.[35] Considered the ideal, an Indian boss alone would perform the daily *puja*. In this way, they would maintain a higher religious status as the only person who can take and give during the transition, which comes from the blessing and passes from the deities through the worshipper and into the office. Nevertheless, in Keqiao, it was more common for an Indian subagent to be asked by the boss to perform this ritual in the office.

[35] See Laidlaw (1995: 372) and Xiang (2007: 102) for similar observations.



Figure 4.2. Hindu deities are ‘housed’ in a Chinese altar in an Indian office.

Both the Indian bosses and Indian subagents spent most of their working hours outside the office. They often followed irregular and unpredictable schedules, so they could never know when they would be in their office and when they would not. Thus it was difficult, if not impossible, for Indian bosses to commit to performing *puja* every day at a set time. Even though it was equally difficult for the Indian subagents to make the same kind of religious commitment, most Indian

bosses requested that their Indian subagents return to the office to perform the late afternoon *puja*.

On an Indian subagent's first workday in Keqiao, his boss would ask him to perform *puja* in the office. This was done not only as a ritualistic form of initiation symbolizing a fresh entry into the trading business in China, but it also sent a strong message that the novice subagent was expected to perform *puja* in the office when his boss could not be there.[36] In short, doing *puja* was part of the job, although subagents are not paid extra for this regular task.

During weekdays and Saturdays, Indian subagents were routinely found in the office in the early morning (before the Chinese market opened and before most Indian bosses were even out of bed); they would then rush back around 5 pm—right after the Chinese fabric market closed—because they had to perform the second *puja*. I accompanied some Indian subagents to their offices on Sundays, observing them perform *puja*. Given Indian bosses do not go into the office on Sundays, it became the subagents' responsibility. It resulted in many instances in which an Indian subagent performed *puja* seven days in a row, from Monday to Sunday. As Kamal, an Indian subagent, told me after I joined him for the Sunday *puja* in his office: '[Due to] worshipping [the Hindu deities] and work,

[36] This observation—assigning workers to do *puja* on behalf of the company—is somehow different from what Laidlaw (1995: 373–374) describes in his ethnography of the Jain merchants in Jaipur, where some forms of *puja* are performed only by the bosses as a way of reproducing their symbolic value of status, power, and wealth in relation to the public's viewpoint. The observation indicates that the religiosity among Indians in Keqiao is perhaps weaker than their counterparts in India.

[the Indian workers] don't have holidays … [neither can] be stopped.' Although Kamal identified himself as a 'simple Hindu,' not a devout one, he insisted it was still important to never let the daily *puja* be disrupted for any reason. In order to keep the promise to his boss and ensure devotion to the deities, Kamal would ask his Indian friends to do the company *puja* on his behalf if he was too busy or away from Keqiao due to work. When I foolishly suggested if I might help with the next *puja*, he incontrovertibly stated, 'Sorry, Chinese cannot do it. Only *Indians* can do it' (emphasis added).

The religious and linguistic affinity between Indian bosses and their subagents always serves as the first-order and baseline factor driving the transnational, informal recruitment. Such an affinity perhaps also helps to produce a certain notion of 'Indian community' in Keqiao, whereby the bosses and subagents are linked by characteristics not related to business and family; this may be one reason that Indian subagents, in a rather subordinated way, are requested by their bosses to perform the company's religious ritual.

4.4 Getting Struck by Exploitations

In the fabric trade in Keqiao, an Indian subagent has an immense learning curve, and when subagents first arrive, they are often exploited in the workplace by the Indian bosses. It is their 'fresh Indianness,' that is, being young and inexperienced, coming directly from India, lacking local Indian networks, and knowing nearly nothing about China, transnational trading, or fabric exposes their

vulnerabilities to their Indian bosses. As I show below, labour exploitation is particularly prevalent during a subagent's first year in Keqiao.

When I invited veteran subagents to review their careers thus far, they all regarded their first year in Keqiao as the hardest one. Kamal described his first year in Keqiao as follows: 'It was the worst year in my life! Everything in China was confusing and nothing was familiar to me. No one told me what to do. I didn't speak Chinese. I had no Chinese friend like you to teach me what to do.' As my fieldwork unfolded, I came to realize that the bitterness they felt about their early years had a lot less to do with culture shock or language barriers than it did with their bosses' abusive behaviours. During my fieldwork, I kept in close contact with three new Indian subagents, Buta, Jaswant, and Sharma, whom I first got to know during their first year of working in Keqiao. The encounters with them familiarized me with the strain and pressure novice Indian subagents face, particularly those imposed by their Indian bosses.

4.4.1 Buta: Surveillance at Home and in the Workplace

Buta came to Keqiao in November 2011. Having previously worked in a small shop in an old marketplace in Delhi, Buta got his subagent job when his parents introduced him to Faisal, a self-employed Indian agent running a small trading company in Keqiao since 2005. At the time, Faisal had started to spend more of his time looking for new buyers in India, as his old buyers in Dubai, Indonesia, and Russia had been placing fewer orders because of the 2008 financial crisis. In

Keqiao, Faisal had Buta live with him in the same house, which is a common arrangement for Indian subagents. I met Buta through my acquaintance with Faisal, as I was occasionally invited by Faisal over to his home to drink beer and watch movies.

Whilst living with the boss is common practice amongst Indians in Keqiao, Buta was extremely uneasy about living with Faisal. Sharing the same place of work and residence, Buta found himself constantly under close surveillance and being strictly controlled. In the office, Faisal would always check Buta's computer screen to see whether he was really working or not. If Buta was caught, for example, reading online Indian newspapers or playing computer games, Faisal would immediately kick him out of the office and would not let him return for the rest of the day. He would send Buta to the marketplaces instead, telling him that he had to gather certain fabric samples and pricing information. He would send Buta on daylong trips for walk-in enquiries, an undertaking that Faisal saw as the best way for subagents to learn about fabric trading. Buta told me that Faisal did not want him to waste any time in Keqiao, and that was the main reason Faisal always treated him so harshly. At home, Faisal would go through Buta's personal belongings without his permission, for example, reading Buta's text message exchanges with newly made Indian and Chinese friends. On this basis, Faisal would advise Buta with whom he should and should not be friends in Keqiao. At night, Faisal would not let Buta go out on his own and would also request that Buta go to bed no later than 11 pm in order to conserve his energy for work the

next day. Whilst Faisal was on a two-week business trip to India in December 2011, he called Buta every night to check on his progress at work in Keqiao. Despite being deeply dissatisfied with all these matters, Buta never expressed his negative feelings to Faisal. He thought that there was no alternative to working for Faisal at that time, and particularly as they were living together.

4.4.2 Jaswant: 'My Boss Changes Face!'

Jaswant is a Sikh who comes from a rural village in Amritsar, Punjab. His family runs a small shop in the city centre of Amritsar, selling embroidered items for the home. For generations, his family has specialized in trading homemade handicrafts in the local marketplace. On one occasion, Jaswant showed me some photographs on his mobile phone that showcased the designer work he had done for the embroideries, and gave me a lecture about the time and skills needed to make even one item. While still being proud of and confident in his workmanship as an embroider, Jaswant lamented that the small family business had not been sustainable since the early 2000s. Sales had plummeted due to the sector's recent move into mass production (particularly by the textiles factories in Ludhiana, as Jaswant highlighted) and the rise in cheap imports from outside (particularly those from China, also stated by Jaswant). He decided to begin hunting for an overseas job in a textiles-related industry, not only in the hope of earning more money for his family, but also as an attempt to develop 'new business skills' so he could revive his family's century-old embroidery business.

In his first attempt, Jaswant failed to land a relevant job, so a friend hired him to work as a hotel receptionist in Bangkok, which he did from 2008 to 2009. Working in the hotel gave him many opportunities to meet relevant people. At one point, Jaswant ran into a Sindhi running a fabric trading business in Dubai. This Sindhi boss stated very clearly that he could not offer Jaswant a job at that point, but he might be able to do so in the near future. This Sindhi boss kept his promise, and in 2010 he brought Jaswant to work in Dubai. Incidentally, this was at the same time that Jaswant had resigned from his receptionist job in Bangkok and had gone back to India.

Jaswant said he initially enjoyed his working life in Dubai, as his Sindhi boss offered a lot of advice about how to run the agent business and work in fabric trading. He also said he made some good Punjabi friends in Dubai, owing to the large Punjabi community there. Yet his job satisfaction came into an abrupt end when the Sindhi boss suddenly relocated Jaswant from Dubai to Keqiao in 2011. As Jaswant remarked, ‘My boss changes face!’ In Keqiao, in addition to no longer giving Jaswant advice, his boss also neglected to pay him his salary. When I interviewed Jaswant in August 2011, it was his fourth month in Keqiao, and up until that point he had still not received any money from his boss. His boss stated plainly that he would withhold Jaswant’s salary until the accrued wages offset Jaswant’s ‘debt,’ which included his travel fees from India and living costs in Keqiao for one year. These expenses had promised to Jaswant by his boss, even before he was relocated to China. His boss proclaimed that he would not be

paying Jaswant any time soon, since there was still a long way to go before this debt would be cleared. Having never signed a contract, Jaswant could not figure out how much debt he supposedly owed. Nor could he find out the exact rate of his monthly salary, if it even existed. Being an unpaid staff member, Jaswant's life was in limbo. Furthermore, to pay his daily expenses in Keqiao, he had to rely on the money sent by his brother-in-law in Punjab. The money transfer was done secretly, as Jaswant did not want his family members, particularly his wife, to know about his dire situation in Keqiao. During our interview, Jaswant cut off several incoming calls, explaining that it was his wife calling. He did not want to answer her calls, because she would ask when Jaswant could send remittance from China, which was an impossible task at the moment.

Despite all the difficulties with his boss, Jaswant did not feel he could leave, not only because the boss had his passport and salary, but also because he was worried that the boss might tell his family members in Punjab that he had had been 'working for nothing' in Keqiao: a disgrace and an entrepreneurial failure that, Jaswant feared, would damage his family's honour (*izzat*) in the village and the marketplace in Amritsar.

4.4.3 Sharma: A Boss Who Always Changes His Mind

Sharma said he was a Punjabi whose ancestral roots could be traced back to Sindh. He explained that that was why he used to work for the Sindhis, even though he felt a stronger connection to his Punjabi identity. Before arriving in

Keqiao, Sharma worked in Delhi as a private instructor teaching computer programming, his passion since childhood. However, the prospect of better pay brought him to Keqiao to work as a subagent. Sharma arrived in 2010 to work for a Sindhi boss who conducts a great deal of trading with buyers from Germany, Poland, Hungary, and Turkey. His boss has offices in both Dubai and Keqiao, and is always transporting fabrics from Keqiao to his warehouse in Dubai, and then exporting them to the European countries. In this business, the Keqiao branch office pays the Chinese suppliers in advance, even before the final buyers have confirmed their orders with the Dubai warehouse.

In Keqiao, Sharma's role was to find fabrics and persuade the Chinese suppliers to offer sufficiently cheap prices. To proceed with a deal, a Chinese supplier required either a one-time instalment (the full fee) or a substantial deposit (usually 30 to 50 per cent). Sharma's main job in the company was to strike a balance between the cheapest items a Chinese supplier could offer and the maximum bid his boss was willing to make. As it turned out, this job always presented Sharma with a dilemma, torn between the interest of his boss and the Chinese suppliers. Sharma said his boss was never certain of the final amount of money he would pay a supplier, regardless of the fact that his boss would verbally approve Sharma's proposed offer in advance. One time Sharma's boss suddenly changed his mind, paying only half the deposit (20,000 RMB instead of 40,000 RMB) to a Chinese supplier on a deal closed by Sharma. The hapless Sharma had to answer countless calls from the angry supplier, in which he could do nothing

but apologize profusely. This supplier, however, would not forgive Sharma and requested that he paid the remaining half out of Sharma's own pocket. As Sharma did not have enough money to be able to do that, the innocent Sharma received a bad reputation because this Chinese supplier continued to spread the tale of Sharma's 'bad-doing.'

4.4.4 Mechanisms of Exploitation and Refusals of Resistance

The various ways in which Indian bosses exploit their Indian subagents (especially the newer ones) are neither new nor innovative. Recent ethnographic studies, such as those conducted by Xiang Biao (2007), Neha Vora (2013), and particularly Andrew Gardner (2010), have highlighted similar mechanisms of Indian-to-Indian labour abuses outside of India. These mechanisms include: (1) forcing workers to work long hours for pittance or even nothing at all due to structural inequalities, such as happened to Buta and Jaswant (also see Gardner 2010: 64–69); (2) being put into debt and forced to default on payments, such as happened to Jaswant and Sharma (ibid. 60–62); and (3) having passports and other travel documents held as leverage, as experienced by Jaswant (see also Xiang 2007: 83; Gardner 2010: 62–63; Vora 2013: 110). As Vora (2013) concludes in her studies of Indians in Dubai, 'money extracted from poor migrant workers adds substantially to the income of elites in the Gulf' and 'it is most often their [Indian] expatriate partners who exploit South Asian migrant labour in Dubai' (113). These statements also hold true in Keqiao, where Indian bosses place their subagents on the weaker side of a highly unequal boss–worker

relationship. Through reproducing and reinforcing the above mechanisms in the workplace, many Indian bosses, including those in Keqiao, can extract surplus values by exploiting the marginal position of their compatriot workers. That is, the bosses deflect the cost of employment by reducing their workers' salaries or even refusing to pay them whenever possible. In short, Xiang, Gardner, and Vora explicate the general mechanisms of Indian-to-Indian workplace abuse that bosses can inflict on recent arrivals like Buta, Jaswant and Sharma.

As Sharma pointed out to me, Indian bosses are 'not stupid,' so they must know that their subagents are not be very happy working under such unfair conditions. Further, as Sharma continued, the bosses are also smart enough to know that novice subagents could not do any harm to their companies (at least not in their first year, as I observed). One example from Buta exemplifies the unhappiness of a novice agent who nonetheless continues to work for his Indian boss. Buta became so infuriated by a series of scolding phone calls from Faisal that he threw his mobile phone into the toilet and told Faisal it was an accident. Buta reiterated that this was not done in anger, but as a thoughtful action that gave him at least a short period of peace until Faisal bought him a new phone. He knew this would take a few days as Faisal would take his time to find the cheapest one possible. Jaswant and Sharma were less extreme. By lying to their bosses that they were going to meet suppliers, they secretly took time from their work. This was also how they arranged to meet with me without letting their bosses know. They could not do so very frequently or they would raise suspicions. Still, Buta,

Jaswant, and Sharma, despite feeling exploited, did nothing more substantial in opposition to their bosses in the workplace. Why, given their treatment, were these new subagents so reluctant to act against their bosses?

One way of approaching this question is to examine their lack of resistance through a nuanced analysis conducted from a structural perspective. Here, my approach is fruitfully informed by what Andrew Gardner (2010) showed in his studies of Indian migrant labourers in Bahrain, although I reach a slightly different conclusion than his: There is a 'time limit' for the structural inequality between the Indian bosses and subagents in Keqiao, which endows the latter group with powers of resistance.

4.4.5 Structural Vulnerabilities with a Time Limit

In his ethnographic study, Gardner (2010: 49–70, 82–89) depicts a continuing and pernicious 'structural violence' that, as long as the Gulf Cooperation Council (GCC) countries maintain the rigid sponsorship (*kafala*) system, entails widespread exploitation by Indian bosses of their compatriot workers. This system does not allow temporary migrant workers (usually South Asians), who are under two-year contracts, without the permission of their employer, to change their visa sponsors (the *kafeel*), who must be a local Arabic citizen, though there usually is an Indian employer behind the arrangement. If a worker changes jobs without his employer's written consent, in the eyes of the host authority, it is considered a criminal offence on the part of the worker (see Vora 2013: 110–114; Kathiravelu

2015: 262–267; Kamrava and Babar 2012; 'The Middle East's Migrant Workers: Forget About Rights.' 2013). Employed under the terms of the *kafala*, the Indian workers in Gardner's study found it intrinsically difficult to take action against their bosses' exploitative practices, such as refusing to pay salaries or forcing workers to work more than agreed upon in the contract (Gardner 2010: 54). The main difficulty inhibiting worker action was that escaping from an exploitative employer meant violating the *kafala,* which meant workers were turning themselves into illegal subjects, according to local laws (ibid.). Hence, some workers did not consider escaping to be worthwhile; yet, a greater number decided to become illegal migrant workers so as to find jobs on the black market, which left them even more susceptible to be controlled and exploited in unregulated labour sectors, which were also mostly run by Indians. As a result, the Indian workers in Gardner's study were structurally discouraged from moving away from the widespread and vicious cycle of labour exploitation. Whether they stayed working for an exploitative job-sponsor or found an illegal, underground job, the problem with the *kafala* regime endured.

Given the fact that many Indian bosses in Keqiao came from Dubai and maintained close business connections with several GCC countries, they know the *kafala* regime well, just as they know the ways of taking advantage of it and other immigration systems—including the one in China—for the benefit of the business. The Chinese immigration system is no less hostile in practice than the *kafala* regime. Indian bosses in Keqiao can also exercise direct control over their

Indian workers, given that, in China, a foreign employer can apply for a foreign worker's visa without the sponsorship of a local Chinese citizen. For Jaswant, for example, his boss (who, remember, has offices in both Dubai and Keqiao) was able to limit Jaswant's mobility by invalidating his Chinese Z-visa (resident/one-year). The Z-visa is tied to a company, which means a person cannot hold a valid Z-visa without the authorization of a local company in China, which, of course, is usually in the boss's. His boss could have had Jaswant's visa cancelled immediately by simply firing him from the company in writing and reporting the incident to the Chinese authorities. Of course, Jaswant could also choose to overstay his visa illegally and then get a job elsewhere, without legal papers. But if Jaswant escaped, rendering himself an illegal subject, he would surely lose all the bargaining ground to fight for the wages owed him. Additionally, Jaswant might face fines, deportation, and being blacklisted for any potential re-entry if caught by the Chinese border agency. There were consequences the penniless Jaswant could not afford to take. Knowing that he had little alternative, Jaswant felt he had to stay in Keqiao during the time of his Z-visa, and clung to a slim hope that his boss would one day pay him the wages owed to him.

Ultimately, just before his one-year Z-visa expired, Jaswant felt he could no longer stand a life filled with uncertainty in Keqiao, so he decided to leave China. While his boss eventually returned his passport and allowed Jaswant to go back to India, no money was given to him. Devastated by his experience in Keqiao, Jaswant told me that he decided to say 'a forever goodbye to China,' and swore he

would never come back. He left Keqiao rather stealthily as he did not want too many people to talk about his departure, so he told only me and a few friends about his decision. In the end, Jaswant decided not to give anyone, including me, his contact information in India so as to completely cut himself off from China. It indicated that Jaswant was adamant in his decision to relinquish any thought of asking his boss for the money he was owed. In Jaswant's opinion, working in Keqiao had been a total failure.

Certainly, leaving China in this manner is the most direct and only legal option Indian subagents have to end their workplace exploitation and to completely cut themselves off from their bosses in Keqiao. However, most Indian subagents thought Jaswant's departure was premature and a lapse of judgement, including Buta and Sharma, who stayed in Keqiao after their first year. This is because Indian bosses cannot continue to impose structural dominance over subagents whose work visas have naturally expired, as I discovered only after Jaswant departed. This statement does not, however, void the fact that Indian bosses can criminalize their subagents by invalidating their company-tied visas *before* their expiry dates.

If Jaswant had opted to stay in China *after* his Z-visa had expired, then some inescapable troubles would have befallen his boss. The major difference between before and after a visa's expiry date is that the expired visa of someone who overstays cannot be officially cancelled by their boss's company. Had Jaswant

become this type of ‘overstayer’ and been arrested before he crossed the Chinese border, the Chinese authorities would have traced his ‘former’ link to his boss’s company because it sponsored his visa. This would have complicated the company’s future visa applications and renewals. While it might have done nothing to better Jaswant’s situation, it would at least have ruined things for his boss.

Jaswant’s boss might have faced two unwanted consequences, as both the company-owner and the visa-sponsor. The first is that the boss might have had difficulties applying for or extending the visas for himself and his Indian workers when submitting the authorization requests to the Chinese authorities for the same company. The second is that if the company could not clear its status of having sponsored an overstayer, the boss would probably have had to acquire new visas under the auspices of another company registration. A new company licence with a new visa quota costs at least 10,000 RMB per year; this is an extra cost that no Indian boss would want to pay in Keqiao.

Therefore, it became less than surprising to hear that some Indian bosses would suddenly become very enthusiastic in helping to renew their Indian subagents’ Chinese visas or, rather dishonestly, lure the subagents into paying for their visa renewals on their own in order to keep the names of their companies ‘clean’ on the Chinese immigration records. At this point, the Indian subagents need not worry too much about the risk of losing their legal residential status in

China, as the good faith of their bosses finally returns just before the expiry date of their visas.

I could not inform Jaswant about this rather subtle way of counteracting his Indian boss as I began to understand this only after he departed, which, only in hindsight, can be deemed 'too early.' In fact, Jaswant was the only Indian I knew who left Keqiao before his Z-visa expired; all others I knew stayed on by having their visas renewed. While it was regrettable to see Jaswant forced to depart in this way, it was a relief to see Sharma and Buta starting to become more confident in managing their work and lives despite the pressure, especially after the first renewal of their visas. I saw this as the equivalent of having passed the first test of the 'time limit' in the structurally unequal relationship with their bosses, regardless of whether they could sense of this transition, consciously or not. It explained why many more Indian subagents like Buta and Sharma found it a attractive situation to stay on to work for their Indian bosses in Keqiao for more than one visa term.

4.5 Moving on as Subagents-turned-Agents

The lives of Indian subagents could, however, be as tough after the 'time limit' expired as it were before, because the renewal of subagents' visas by their bosses' meant a renewal of structural dominance in the workplace, assuming, that is, that neither the bosses nor the subagents made any changes. However, in practice, most Indian subagents did not surrender themselves to such inaction; they made

changes in order to improve their lives. One common strategy was to foster their own financial independence in Keqiao, as was adopted by Buta, Sharma, and their fellow subagents who also ploughed ahead into their second year. Specifically, their aim was to accumulate enough start-up capital and sufficient local business networks to enable them to run their own independent agent services, out of view of the bosses or at least without their interference should their hidden deals become 'an open secret.' Once these subagents found a way to earn money by brokering deals on their own, they felt like they were on the right track towards finding their way out of their exploitation.

Sharma once showed me two small notebooks in which he systematically recorded all the enquiries he made with Chinese suppliers. Inspired by his programmer training in database management, Sharma managed the data in his two notebooks using a special approach. He always kept his two notebooks in different places in order to reduce the chance of losing both at once. In the first notebook, Sharma only recorded three kinds of information: the fabrics he enquired about, the commission rate offered, and the dates when he made the enquiries. He intentionally left out the suppliers' contact details to prevent other agents from stealing his business information, but he jotted them in the second notebook, along with the dates of the enquiries, in an abbreviated form that only he could decipher. Thus, Sharma ensured that he was the only person who could use his database by cross-referencing the two notebooks; not even his boss could make sense of it, even though he could easily find and read these two notebooks

in the office. ‘I cannot hide anything from my boss in my office,’ Sharma said, ‘but he [his boss] cannot use them [the two notebooks]. I cannot be 100 per cent honest to him or he would get rid of me too easily.’

In this clever way, Sharma kept the most important business contacts exclusively for his own benefit, such as receiving secret commissions. Sharma explained that some Chinese suppliers in Keqiao were willing to give him a ‘secret commission’ if he could help them negotiate a lower rate of commission to be paid to Sharma’s boss or his final buyers in Dubai. Certainly, Sharma could not let his boss know he was covertly collaborating with the suppliers, particularly given the threat that his boss could criminalize his immigration status at any point. Still, Sharma was willing to take the risk because he considered that it could help him gradually earn more money and, even more importantly, strengthen his business connections with the Chinese suppliers. These were the locally derived business assets he firmly believed would prepare him well for establishing his own trading business sometime in the not-so-distant future. Sharma said he was quite confident that his long entrepreneurial battle in Keqiao would lead him to success one day.

My fieldwork in Keqiao was too short for me to observe Sharma and other novice subagents more longitudinally. Thus, it was difficult to predict the final outcome of their secret, initial entrepreneurial strategies, hidden from their bosses, and how these strategies might affect their future career trajectories in Keqiao. In

fact, during my time in Keqiao, all these entrepreneurially minded subagents claimed they were still struggling a lot in their formative years, although they did not seem to lose hope over this time. For all their efforts, there was not much immediate return, yet persistent entrepreneurial faith prevailed. It is intriguing to think how far these subagents might go in Keqiao. It did not seem that any important changes in their lives would occur in just one year.

Nevertheless, collecting a wide range of field data allowed me to produce projections of these subagents' future prospects by juxtaposing their stories of incipient and slow progress with what I learnt from veteran Indian subagents, particularly those who successfully became self-employed agents after working in Keqiao for several years. In one example, two subagents, discussed next, left their boss after working together for six years.

4.5.1 An Unexpected Happy Ending

I met and interviewed Amin and Rohan's boss, Raja, for the first time in March 2010 during my pilot fieldwork in Keqiao. After returning to Keqiao in summer 2011, I frequented Raja's office in order to keep myself updated of his situation throughout my year-long fieldwork. Raja, a Sindhi in his mid-forties, has most of his family members living in Mumbai and Ajmer while he spent most of his time outside India working his fabrics trading business. He was based in Dubai throughout his twenties, and then in China since he turned thirty. For the preceding five years, Raja had rented the same business office in the north of

Keqiao, and Amin and Rohan, two Sindhis in their early twenties, worked for him as subagents. In 2006, Raja hired Amin and Rohan, from Rajasthan and Gujarat, respectively, through the recommendations of a friend in India. In Keqiao, Raja gave Amin and Rohan accommodations in his apartment; all of them lived and worked together 'just like a family,' Raja proclaimed.

Except for the times when Raja was not in China, I was always able to find him in his office in Keqiao without first making an appointment. However, over many rounds of visits, I only saw Amin and Rohan together once in the office, and did not have the opportunity to talk with them. 'They're always out to meet suppliers,' Raja said to me when the duo were again absent. While I seldom saw Amin and Rohan in the office, I did see them several times on the street and in the offices of my Chinese informants, talking on their phones or with people around them. I did not attempt to speak to them on these occasions as I did not want to interrupt them while they were working.

I finally was able to have an in-depth conversation with them when they visited Song Yun's office one morning in March 2012. It was the first time I could talk with them outside the presence of Raja. It turned out to be a casual meeting, as they were not conducting any business dealings on behalf of Raja with Song Yun. For Amin and Rohan, the main purpose of this visit was completely personal. They wanted to learn from his recent experience—as a matter of fact, within the past month—of setting up a trading company in Keqiao. They were

planning to leave Raja to start their own business venture in Keqiao. In this meeting, Song Yun gave them specific answers on how he established his trading company, having finished a two-year spell as a salesperson in a fabric trading company of his uncle-in-law (see Chapter 6). Amin and Rohan were particularly keen to ask specific questions, such as the monthly rent and furnishing expenses Song Yun paid for his new office. Song Yun, who had done a few business deals with Raja and had known Amin and Rohan for some time, patiently answered their enquiries in English.

After Amin and Rohan left, I asked Song Yun if Raja knew his Indian subagents were leaving him, as I suspected they were hiding their plans. Song Yun answered: 'Of course he knows about it! He is an ingenious (*jing*) businessman and he must have everything under his control.' A few days later I visited Raja's office, and again Amin and Rohan were absent. During the conversation, I did not mentioning anything about Amin and Rohan. To my surprise, however, Raja voluntarily disclosed that he knew that they were leaving the company soon to start their own intermediary business in Keqiao. 'Now I need to find new people to replace them. I might find someone to come here soon.' Raja said he did not have any particular feelings about their departure, citing that he actually had left his old boss in Dubai in the same way when he was of a similar age to Amin and Rohan.

In comparison to the circumstances of Buta, Jaswant, Sharma, and other new subagents when they talked about their bosses, I was struck by the calmness displayed by Raja, Amin, and Rohan, given that the trio were about to part ways after working as a team for six years. Apart from myself, no one else who knew the three of them in Keqiao appeared surprised by the split. As one Indian friend who knows both Amin and Rohan commented about their departure: 'Surely they'll be leaving one day. Raja cannot stop them. This kind of thing is happening in Keqiao everyday!' Amin and Rohan were not afraid of angering Raja by their plans to leave him. In turn, Raja expressed no reluctance to accept that Amin and Rohan were going to become one of his many compatriot competitors in the Keqiao market. It seemed to be a happy ending.

Was the happy ending of the split of Raja, Amin, and Rohan typical? 'Not really' was the answer I was told many times, especially by the 'outsiders within,' who were the Indians who had not experienced company secession for themselves yet who claimed to witness it often in Keqiao.[37] For example, Gurpreet, a Sikh agent from Thailand whom I considered to be one of these outsiders within, compared his long-established, family-run agent business (which are in the minority in Keqiao) with most small Sindhi companies run by non-family Indian workforces (which are in the majority in Keqiao). Gurpreet's company did not experience any secession during three family generations, and it had been relocated to many different places—Thailand, Cambodia, Hong Kong, Japan, and

[37] This formulation is borrowed from Collins (1986), who discussed a concept of 'outsiders within' in Black feminist studies.

China—over a span of sixty years. By contrast, over the last decade, secessions frequently took place in Keqiao's Sindhi companies that were not family run.

Gurpreet explained his situation as he perceived it:

> We're different. But we're only a minority here. Sindhis are the majority in Keqiao. Sindhi traders are more aggressive. They do business here just like playing a survival game. Many Sindhi companies are in their 'fifth generations' already! It means … a first generation's Sindhi company had employed an Indian from India. After this Indian worker took some orders and got to know the business, he quit and set up his own company, which was the second generation. The second-generation company offered the same goods with cheaper prices than the first-generation company could offer. So the two generations came to face each other as their most difficult competitors. Then the second-generation company recruited another Indian worker. This Indian worker would become the third generation, trying to 'kill' the second-generation company in the same way. Someone said Sindhis are the 'Jewish people in India' because both of them prosper in business. But I don't agree. Because Sindhis will never cooperate with each other like a Jewish firm will do. Sindhis are always trying to kill other Sindhis first!

However, Indian 'insiders' who had personally experienced secessions, like Raja, did not easily subscribe to Gurpreet's view. It is true that secessions took place more often among the Indian companies employing non-family members as subagents, nevertheless, the case of Raja, Amin, and Rohan illustrates that the secession of an Indian company could occur without the boss feeling betrayed by his subagents. Instead, a long period of co-existence after the split can result, even though it does not rule out the eventuality of rising competition with each other.

After the split, the divided parts of the original company would, of course, no longer have a close-knit business alliance, as they would then be running their agent companies as separate businesses. So Amin and Rohan, having become

agents, would undoubtedly come into direct competition with other Indian agents in Keqiao, including with Raja. It should be noted, however, that the kind of competition Amin and Rohan might pose Raja was not considered to be detrimental to his agent business, as was clearly reflected in Raja's tolerant attitude and unemotional response regarding the split. The fact that Amin and Rohan could leave as though it were 'natural' to do so indicates that, for a long time, Raja was probably prepared to see his long-time subagents leave. Inferred from other case studies like that of Sharma, it would appear that Amin and Rohan had performed many agent services as part of their own side business during their tenure in Raja's company; otherwise they would not have had the start-up capital and business networks needed to launch a financially viable company completely independently from Raja.

Raja came to China in 1997, and has worked as an agent in the Keqiao fabric market ever since. He is well-known as a veteran Indian agent in Keqiao and recognized as both 'one of the Indians who knows the best price to buy at Keqiao' and 'a person you cannot hide anything from,' as Chinese suppliers bemoaned. (Song Yun described Raja as 'ingenious.') Given his long experience in the fabric trading business in Keqiao, it was unthinkable that Raja would not discern that Amin and Rohan had been involved in some side business and that, in doing so, the duo would ultimately leave his company to start their own business. Interestingly, veteran Indian bosses like Raja could determine that the eventual split, and the events leading up to it, would not pose any immediate threat to his

business. This was not in spite of the looming side business of their subagents, but rather because of it.

First, bosses can feel comfortable about the side businesses of their subagents as long as it does not damage the bosses' control over the deal-making practices with important overseas buyers. This is related to the tendency of Indian bosses in Keqiao to strive to always make themselves the main point of contact for overseas buyers, especially the ones who tend to place large orders; this is roughly equal to a deal that is valued at about US$20,000 or greater, as I was able to estimate from my informants' accounts. As I visited Raja's office over the year, four out of six times I found that he was holding a one-to-one meeting with an overseas buyer visiting Keqiao: one from Malaysia, one from India, and two from Dubai. Admittedly, in the context of Keqiao, the size of the order could not have been small if an overseas buyer had come to meet the agent on-site to discuss a deal. For this reason, Raja assured he was the only agent dealing with those 'big' overseas buyers. Raja communicated with the visitors from Dubai in Arabic, a language which neither Amin nor Rohan speak. So even if Amin and Rohan may have overheard some of these business meetings, they would not have made sense of them, let alone been able to retrieve any business information for their own use. More importantly, Amin and Rohan, as subagents from India, did not possess the necessary capital and facilities to accept any orders matching the size of those offered by Raja's visiting buyers. In particular, those subagents who started from almost nothing were not capable of offering the same level of credit, such as the

veteran Raja, to finance the deals. It was, therefore, no surprise that Raja did not display much vigilance over Amin and Rohan, as the risk of losing those lucrative deals to the duo was very low. There was no easy way for Amin and Rohan to undercut Raja's deals with his faithful 'big' buyers.

Second, in terms of the Indian workplace arrangement, while Indian bosses tried to keep their subagents as far away from the buyers as possible, the bosses would inevitably delegate their subagents to work closer with the Chinese suppliers in Keqiao. Working with these suppliers was an essential task that very much relied on the everyday assistance of the compatriot subagents in Keqiao. As discussed above, the main goal of the Indian bosses in employing Indians as subagents was to extract information: to constantly collect extensive, accurate, and updated price information on fabric by making as many enquiries to local suppliers as possible, as seen in the previous stories of Buta and Sharma. With the Indian subagents forced into such close relations with the local market, their secret business arrangements for their own benefit, like the 'secret commissions' earned by Sharma, were unavoidable. While such hidden deals were more favourable for the subagents and the Chinese suppliers, it should be noted that these deals could only proceed once Indian bosses had given a 'go-ahead' to the general business arrangement. That is, the amount of 'secret' money made by subagents could not conspicuously reduce the bosses' profit. Given that the bosses were the ones who paid the cash deposits to the suppliers, they chose whether or not to accept the buying price and commission rate suggested by their subagents.

Thus, a subagent could only earn secret commissions from a supplier by first convincing both his boss and supplier that the proposed deal was profitable enough for both sides. To earn extra money from his side business, a subagent had to ensure that the deal between his boss and supplier would not fail and that they would continue to compromise if something went wrong. For example, if the quality of fabric to be exported was slightly lower than what the buyer had expected, if the difference was only slight, the subagent could convince the buyer to accept the defect. To eventually become successful and independent, an ambitious subagent had to first learn how to find a profitable formula for a complicated price calculation amid the interlocked interests of the supplier, buyer, boss, and even himself. Obviously, this would require a long learning process before a way out would be found, which was six years in the case of Amin and Rohan. Certainly, bosses would profit a little less from deals as a consequence of their subagents' side business. However, if not ironically, also thanks to the subagents' side businesses, the bosses could be sure that subagents would continue to find them reliable suppliers who would offer fabrics at a price acceptable to the buyers, bosses, and subagents.

4.5.2 Selling the 'Company' to an Subagent

Some Indian bosses, like Raja, did not feel imperilled by their subagents' increasing odds of becoming independent agents. This was because they believed that only fully fledged subagents were eligible to buy back the visa quota, should

bosses decide to quit the trade in Keqiao. The story of subagent Haresh provides a vivid instance of this.

Haresh was prompted to buy the company licence from his Indian boss, who suddenly closed the business in Keqiao. Just one day before Haresh was due to go back to India to attend his brother's wedding, his boss told him that the company in Keqiao was closing immediately because it was going bankrupt on the Indian side of the business. The boss asked Haresh two questions: Did he want to set up his own agent business in his stead, and if he wanted to do so, did he have the money to buy the company licence from him? Despite being given less than an hour to consider this proposal, Haresh decisively answered yes to these two life-changing questions. Haresh then helped his boss to quickly clear out everything in the office within a day, and then he left for India for two weeks. Haresh came back to Keqiao to start anew as an independent agent, which was something he never could have imagined just a month before.

Obviously, there was some risk involved with Haresh buying the company's licence in such a hasty manner. What if his outgoing boss had defaulted on paying some suppliers? Haresh said that, as far as he knew, his boss had not done him that evil. More importantly, Haresh reminded me that the company could not hold a business account to make local business transactions (e.g. pay deposits to Chinese suppliers), given that it was not permitted due to the company's registration as a Representative Office. The bosses paid deposits to

suppliers in cash with funds from their own personal bank accounts. Such informal transactions on company records would not affect the status of the company licence in any way, given that these two key aspects—being registered as a Representative Office and holding a business account—were mutually exclusive on paper. Knowing that a link did not exist between the bank account of his 'company' and the company registration with the Chinese authorities, Haresh bought the company's licence just to keep his residential visa in China, as the visa's validity was dependent on the validity of the company licence. If Haresh had declined to buy the visa from his boss, Haresh would have had to pay to apply for a new visa and a new company registration, which would cost around 20,000 RMB per year: a price that was more costly than the deal Haresh had been offered by his boss. That being said, Haresh was cautious to prevent the suppliers from wrongly assuming that he still held any business connections with his boss. He shifted to running his agent business in a home office under a new company name, though this arrangement did not match with that still appearing on the record of the company licence: a record that would be seen only by the Chinese authorities.

4.6 Conclusion

This chapter delineates the internal dynamics of Indian trading companies in Keqiao and explores the composition of the workforce usually found in the minuscule-sized Indian trading companies: an Indian boss who links up with an Indian subagent. It also demonstrates the division of Indian labour within an

Indian company: although bosses must work independently, they also need the help of subagents to expand their businesses in Keqiao.

I explore the different challenges and opportunities faced by Indian subagents across three time stages: arriving in Keqiao, being immersed in the local market, and becoming self-employed agents. The chapters shows that being a freshly arrived and novice Indian subagent turns out not to be quite as easy as the subagent may have imagined before travelling to Keqiao. By presenting the stories of particular subagents, I shed light on how struggles with their new life in Keqiao were caused by the structural exploitation imposed by their Indian bosses. Even though it is immensely difficult to escape such exploitation, some subagents found creative ways to negotiate greater agency from their bosses. Subagent negotiations were enabled by the Chinese visa regime in particular, which, ironically, initially was used by bosses as a tool of exploitation.

This chapter also gives an account of the 'moving-on' stage; that is, the transformation of those veteran Indian subagents who become self-employed agents after working in Keqiao for some years. I delineated a subagent-turned-agent secession from an Indian company. Through reference to this case, I argue that this transformation should neither be seen simply as the final triumph of Indian subagents over their bosses, nor interpreted as a failure that those bosses were, in the end, unable to retain their subagents as employees.

Needless to say, these subagents could not turn themselves into agents overnight, because, in the beginning, they lacked both the necessary venture capital and networks to start their own agent business. Doing business on the side for several years with Chinese suppliers, behind the boss's back, is a popular route for a subagent to accumulate enough capital, experience, and networks to kick-start a transformation from subagent to agent. Noteworthy, these side businesses are largely tolerated by Indian bosses because it motivates subagents to work towards balancing the interlocking interests of suppliers, bosses, and subagents themselves. In this light, subagents' secession is not a zero-sum game but a trigger point for business replications and the proliferation of Indian business enterprises with identical workforce configurations and management strategies. All of this serves the dual-faceted interests between Indian bosses and their departing subagents.

In total, this chapter has shown why Indian trading practices are not only structurally sustainable and persistent, but also continuously expanding in scope, which is an unintended effect of the Indian labour configurations. It demonstrates how Indian bosses in Keqiao recruit Indian subagents, how they exploit their subagents, and why and how these subagents counteract the exploitation.

The organizational dynamics within Indian trading companies is remarkable in two ways: First, it indicates that an Indian company's secession should not be read as simply the beginning of another commercial conflict among

Indians. Instead, in this case, we should look at it as a viable contribution in stabilizing the flexible arrangement in an export deal. Indian subagents understand that if a deal goes astray, no one will benefit, which could be damaging to their own entrepreneurial prospect—to become an agent one day. Second, this chapter illustrates the primary roles of everyday business interactions with Chinese suppliers—for example, an Indian subagent's side business—and the state regulations—that is, Chinese visa policies—in configuring the internal organization of Indian trading companies. The importance of their encounters with local Chinese players will be further explored in the next two chapters.

Chapter 5: Chinese Clerks Helping Indians

5.1 Introduction

This chapter explores the multiple ways in which Indians and Chinese clerks (*wenyuan*) encounter each other in Keqiao—both within the fabric market and outside of it—and illustrates repercussions for many aspects of local life in Keqiao. These encounters usually take place between the male Indians agents and subagents and female Chinese clerks in the male-dominated fabric market in Keqiao. This chapter, therefore, is a study of gender relations, focusing on how Indian men, especially novice agents and subagents, may benefit from these relations. This chapter presents case studies of these encounters and shows that female Chinese clerks are not, as one may assume, peripheral players in the operation of the fabric economy. Instead, this chapter highlights that female Chinese clerks provide significant assistance to male Indian agents and subagents that, in turn, empowers their local business operations in a significant way.

5.2 Who Are the Clerks?

Before discussing the full spectrum of interactions among Indian agents and subagents and Chinese clerks, it is essential to first recognize who these clerks are. Similar to clerks in other industries and locations, clerks in Keqiao can easily be tagged as personal assistants, secretaries, bookkeepers, receptionists, or interpreters, considering their miscellaneous duties and multitasking responsibilities in supporting basic, everyday business operations. A clerk's main

duty, no matter which trading company she works for, is more or less the same: to provide services and assistance for running the office. A clerk usually spends most of her time inside the office,[38] answering phone, e-mail, or in-person business inquiries. During my fieldwork, clerks had predictable work schedules, whereas bosses and senior colleagues had ever-changing schedules.

Apart from the routinized nature of the job, another notable feature of clerks is their gender. In Keqiao, clerks are predominately young Chinese females, most are in their early twenties, and recently completed their undergraduate studies. This observation is not surprising, given that office-based positions tend to be occupied by females more than males, whilst employers and managers are exclusively men (Warrier 1988: 138; Webster 2010: 192; Liu 2013: 78; Ogasawara 1998). There is another specific local factor that shapes the gendered composition of Keqiao office work teams; that is, a disproportionately large number of young Chinese women are graduates from Shaoxing University or Yuexiu University of Foreign Language, the only two universities in Shaoxing City. A majority of students and graduates in foreign languages and business-related studies, two of the largest programmes in these two universities, are female.[39] With at least 10,000 students graduating every year, and nearly half of them studying language or business-related subjects, these two universities provide Keqiao with the largest pools of first-time job seekers, particularly

[38] Generally, clerks are the only staff left in offices, while bosses and salespersons are usually out for business meetings.
[39] See Duthie (2005: 5) for a similar observation on the disproportionate female fresh graduates in the universities that specialize on foreign languages and business trade.

females who are presumed to be more suitable for clerical positions. These young Chinese women's command of English and their communication skills are, stereotypically, taken for granted as better than men's, and therefore are seen as essential qualities to be the good clerks, whose major responsibility is to effectively communicate with foreigners for the benefits of their companies. This is also the reason why female clerks are frequently addressed as 'office girls' by Indians in Keqiao.

The extent one's gender determines career pathways has been extensively discussed in the scholarly literature.[40] For example, based on her ethnographic study of multinational corporations in Shanghai, Laura Duthie (2005: 5–6) showed that Chinese women in Multinational corporations, despite mostly starting as personal assistants, had an advantage over men in reaching top managerial levels in their careers because assistant positions enabled these women to get closer to and communicate with high-level personnel; that is, Western male expatriates who make the final decisions on staff promotions and a company's restructuring projects (cf. Ryan 2003: 100). In Keqiao, it is also true that female clerks work closely with their male bosses most of the time, but in contrast to Duthie's findings, I found that these clerical positions did not necessarily allow these young women to better their career prospects. Irrespective of whether one is

[40] It should be noted that 'naturalizing' discourses about female labourers are commonly adopted by employers across all sectors, not just business sectors. For example, there is a corpus of literature that discusses how the female labour force is depicted as 'naturally … patient, careful and able to endure long hours' in industrial sectors in Asia' (Lim 1983: 78). I thank Roberta Zavoretta and Fengjiang Jiazhi for this reminder.

male or a female, the clerk position in Keqiao is widely known as a dead-end career choice; that is, a clerk can either work as a low-rank clerk or leave the employer for other work or business opportunities. During my fieldwork, a clerk getting promoted or enjoying a satisfying pay rise was unheard of. What I often heard from the clerks, instead, was how frequently they changed jobs from one company to another and how they are considerably underpaid. Salaries could be as low as 1,000 RMB per month, which is lower than many blue-collar jobs in Keqiao.[41]

From the perspectives of an employer, in most cases, a clerk's contributions are peripheral to the business. For example, employers expect higher-ranking staff (i.e. Indian subagents or Chinese salespersons) within a trading company to work autonomously to bring in new business orders, whilst clerical staff are only expected to complete tasks as requested by their employers. The salaried work of clerks does not produce direct profit, yet directly adds to the company's operational costs. On one occasion, when I asked a Chinese employer to clarify his clerk's job responsibilities, he seemed baffled by my question: 'That's not very related to how I do the business, correct?' To this boss, as well as many other Chinese and Indian bosses I talked to, clerical employment was not crucial to any

[41] Manual jobs, such as those in dyeing and printing factories, pay much higher wages, mainly due to the labour drainage (*mingonghuang*) across coastal China. As Chinese bosses and other people working in factories told me, labour drainage has taken its toll in the manufacturing and industrial processing sectors in Keqiao and many other parts of Zhejiang Province in recent years. To ameliorate this labour shortage, some factories raised the salary to 3,000 RMB or even higher to retain the experienced factory workers who run and supervise the dyeing machines. Meanwhile, the salary level for clerks remained stagnant. For a general discussion on this issue, see Sevastopulo (2013).

part of their deal-makings and that clerks were assumed to play a marginal role in the business process. Thus, without exception, the low-level nature of this job meant that clerks received the lowest wages in the office.

This description of Chinese clerks in structurally low positions in the Keqiao workplace sets the background to reveal workplace interactions, or, in extreme cases, unresolvable disputes between Indian bosses and Chinese clerks. The following two case studies exemplify explicit forms of workplace contempt and oppression commonly faced by clerks in Keqiao. It shows how Indian bosses can take advantage of Chinese clerks, including through unsavoury employment practices and demanding too much work that is not justified by the unattractive salaries offered to Chinese clerks. These two cases, particularly the first one, also offer less explicit, yet no less important, undercurrents that transcend such tension-laden, structurally unequal boss–clerk relationships.

5.2.1 A New Chinese Clerk and Her Indian Boss

Pang Lirong, at the time of my interview a graduate student at Yuexiu University of Foreign Language student, had worked briefly as a clerk for an Indian boss in Keqiao. She shared that working experience with me in detail. She said she regretted starting this job during her final year of undergraduate studies:

> He [her Indian boss] knows very well on how to take advantage of people like us women [*qifu nuren*]. He doesn't look for people with experience. He just finds people who are still studying. Like the final-year university students … many of us do not have to take many courses and can start to work full-time. He knows there are people like us every year.… He would

> say you are still living in the student dorms, then you don't have to spend money on accommodations. You can eat on the campus. So why are you asking too much for wages? All of these are just excuses. But he would say it again and again, that you should accept a low wage because of this, because of that.… It's just like how he bargains with suppliers … he is bargaining all the time. I'm not from Shaoxing. But at that time I hoped to stay here. So I had not considered carefully before I accepted the offer … a very bad offer as I later felt. Taking it was a mistake.

Pang Lirong, with hindsight, realized taking this job was a mistake, not only because she was badly paid, but also because the workload was much more than that of other first-year clerks in Keqiao. At first, her boss said her working hours would be from 8 am to 4:30 pm, Monday to Saturday. He also promised that she only needed to work inside the office and that her work hours could be flexible, considering that she was still at university. However, Pang Lirong worked far more hours and had to work both inside and outside the office. She also had to work overtime almost every day because of last-minute requests from her boss. To Pang Lirong, the most frustrating extra work was to accompany her boss on numerous factory and office visits late into the evening; some visits ended as late as 11 pm. Pang Lirong deemed this overtime work as unacceptable because she was not paid extra for it. Above all, the overwhelming workload was not what Pang Lirong expected before she accepted the job. She resigned only two months after she started.

But that was not the end of her troubles. Her boss refused to pay the salary he owed her for those two months because he claimed she had not passed the three-month probationary period—a 'company policy' declared to her only after she tendered her resignation. She did not get her salary until she gathered a group

of her Chinese friends to protest in front of the office. She returned to the school after this incident. After her graduation, she got her next job, also in a clerk position in a Chinese trading company in Keqiao. This time she worked for a Chinese boss, who paid her only a slightly higher starting salary—1,200 RMB per month—but Pang was much more satisfied with this job. She only had to work from 8:30 am to 5 pm, which is recognized as a normal office schedule by most clerks in Keqiao.

The next case study brings together two perspectives, one from an Indian boss and one from a would-be Chinese clerk. I was involved in matching them up for a job interview, which allowed me to trace the entire process. It illustrates how both sides interacted in a heated job interview.

5.2.2 An Impossible Replacement

Veteran Indian agent Subash (see Chapter 4) needed to immediately hire a Chinese clerk. After a two-week holiday during the Chinese Lunar New Year in January 2012, Subash's clerk, the only Chinese staff in his company, had resigned abruptly. Subash asked for my help in finding an immediate replacement. Agreeing to find someone from within my circle of Chinese friends, I asked Subash the specific job requirements and how much he was willing to pay as a starting salary. Despite my continuous enquiries for such information, Subash supplied me with nothing more specific than simply to find him 'a good Chinese girl' to fill the vacancy.

After searching for a while, I found Lu Aifeng, a 24-year-old graduate of Yuexiu University of Foreign Language, who had previously worked as a clerk in a Chinese trading company. I first met Lu Aifeng after she quit her job and was anxiously looking for a new one. My first thought was Lu Aifeng would be a fortuitous match for the clerk vacancy in Subash's company. With Lu Aifeng's permission, I connected her with Subash. It turned out that they did not get along with each other from the get-go. In less than an hour, both Lu Aifeng and Subash came to the conclusion that they would never work well together. Lu Aifeng refused to engage in any further discussions with Subash unless he offered a starting salary of at least 1,200 RMB per month, while Subash insisted that 900 RMB was the maximum amount he would offer to a clerk, and this was after his first offer of 750 RMB. In stark contrast, Subash paid his Indian subagent 4,000 RMB per month. As Lu Aifeng recalled to me, she became annoyed with the tense situation because Subash haggled over salary matters yet would not answer any of her questions on exactly what the job duties would be, nor had he bothered to ask questions about her two-year clerk experience in Keqiao. Meanwhile, Subash groused to me that he was not happy with the outcome of that meeting because Lu Aifeng was not the 'good Chinese girl' he wanted. Subash finally clarified what he meant:

> This Chinese girl [Lu Aifeng] is asking for too much. This is no good. She is not the girl I want. I'm not looking for a girl with experience. I don't need smart girls asking for too much. I'm just looking for a simple girl to stay in the office … [to] help me to do simple things. I don't need her to get customers for me. I just need someone to help me prepare some documents

> and help me handle customers. She just needs to stay in the office and doesn't need to work out[side]. I won't pay a girl that much for office work.

Subash was not been able to recruit a new clerk before I left Keqiao, which was six months after I referred Lu Aifeng to him. Whilst Subash continued to push me to find a clerk for him throughout that half year, he contended that working without one had not impeded his intermediary business operation in Keqiao. He seemed fine running his company only with his subagent, and did not seem to mind waiting until someone willing to accept his firm salary cap.

5.3 The Dual Work Ethic of Female Clerks

The case studies of Pang Lirong and Lu Aifeng show how lowly positioned female Chinese clerks are within the Indian workplace. Pang Lirong's Indian boss had defiantly broken his work-related promises to her, ignored her numerous complaints on her unpaid overtime hours, and refused to pay her for two months of work. Subash, meanwhile, was adamant that Lu Aifeng did not deserve better pay despite her accumulated experience in the trade. Faced with these experiences, Pang Lirong and Lu Aifeng were understandably upset, and even angry. They expressed their dissatisfaction to no avail, although the Indian bosses were unsympathetic to their claims. It is, therefore, not surprising that the encounters between these Indian bosses and Chinese clerks quickly deteriorated to a deadlock.

The domination of Indian bosses and the subordination of Chinese clerks is evident in these two case studies, and it was repeated in other boss–clerk relationships in Keqiao. It proves that there are short lives in unequal power structures within workplaces. In fact, in Pang Lirong's case, the short life was less than two months, and for Lu Aifeng, it did not even get started. As of January 2013, one-half year after I left Keqiao, none of the Chinese clerks I interviewed were working for their same Indian boss. In this sense, these Chinese clerks were not passive victims after all; in no way did they consider future careers working under Indian employers. Unlike an Indian subagent, a Chinese clerk could quit at any time should she no longer want to work for her Indian boss, with the worst scenario most likely losing a few months' salary, but without more serious consequences. It should be noted that working as a clerk in Keqiao is just one of many career options open to the novice job seeker. For example, working as a salesperson is generally regarded as a higher-level, better-paid, more promising occupation. Although they are aware of these better job alternatives, many young Chinese females in Keqiao stay in the same kind of clerical jobs.

Why did these clerks stay in such unpromising jobs when better opportunities were available? I found that many female clerks, especially those who are not local, decided to take low-paid clerk jobs because they wanted to stay in Keqiao after their graduation from the local universities. In other words, one main reason that these female clerks decided to work in Keqiao was to lead a life in a city, which they became accustomed to when they began to study in this area.

More importantly, a job in Keqiao, even a low-paid one, could grant personal autonomy and economic independence to these female clerks. For example, Pang Lirong, single at that time of my fieldwork, told me that the main reason she wanted to stay near Keqiao was to avoid having to go back to live with her parents, who were pushing her to find a boyfriend. Hence, for Pang Lirong, living in Keqiao with a job provided her a timely and temporary escape from this unwanted yet unavoidable familial pressure. When I first met Pang Lirong, she had already left living in the university dormitory and had moved in with a female friend in a single room (*danshen gongyu*) in Keqiao. Both Pang Lirong and her friend were working as clerks, and they each paid 200 RMB per month in rent, which is one of the lowest housing expenses in Keqiao. Through careful budgeting on living costs, Pang Lirong managed to live quite comfortably in Keqiao, despite little savings from her meagre earnings.[42]

The various motivations for staying in Keqiao did not include being career-oriented or entrepreneurial, so it is not surprising that all of the female clerks I talked with firmly dismissed the possibility of becoming a salesperson or starting her own trading business later on. Indeed, many of them revealed that they chose to work as clerks because the workload was minimum, which enabled them to enjoy more freedom in their lives. One clerk told me that in her company,

[42] Like Pang Lirong, there were many graduates of Yuexiu University of Foreign Languages and Shaoxing University who chose to live an independent life in Keqiao, despite limited or even no income. It confirms Xu's (2012) observation that many university fresh graduates prefer to stay in coastal Chinese cities, even without jobs, in order to keep an urban and independent lifestyle (121).

only she could leave at 5 pm every workday, while the boss and salespersons were still working. For the clerks who were not local to Keqiao, all of them claimed that staying in Keqiao was most likely a temporary plan. They might eventually get married, probably back in their hometowns. Those who did not want to get married too soon said they might move to bigger Chinese cities, such as Shanghai and Guangzhou.

In Keqiao, these young Chinese female clerks—single, fresh university graduates, nonchalant about career development or beginning a trading business, yearning for new and independent lives away from their homes—constitute a special group with which male Indian agents and subagents, especially those of similar age, interact with outside the boss–clerk formality. These young Chinese women are the majority of Chinese working in Indian trading companies, and they process a dual work ethic that is exceptional in Keqiao's business universe. A dual work ethic means that both engagement and disengagement with work occur, with the latter more important to them. On the one hand, female clerks are similar to other types of workers, such as salespersons, agents, and subagents. They are in close touch with the fabric market and various trading activities, by such activities as updating lists of fabric items from buyers and suppliers for their bosses. An inevitable result of this peripheral role is that these clerks inadvertently pick up business know-how about the fabric trade. On the other hand, these young women generally lack any interest in using this knowledge to further engage in the trade. This knowledge of the fabric business, however unappreciated by these young

female clerks, is viewed as invaluable 'local wisdom,' and, indeed, is sought after by the many novice Indian agents and subagents in Keqiao.

Because of this conscious self-disengagement, young Chinese female clerks prompt strong responses from male Indians, whose local lives in Keqiao, with few alternatives, are lopsidedly engaged in the local fabric market. Most veteran Indian agents, who are nearly all male, view female Chinese clerks as a cheap, docile, and, dispensable workforce.[43] This can be seen in how Subash treated Li Aifeng. In contrast, however, these same disengaged clerks are also well received as indispensable friends or lovers in the eyes of many other Indians, particularly young, underachieving novice subagents who are neither their employers nor colleagues. Such intimacy can readily be found in Keqiao between Chinese female clerks and novice male Indian subagents.

5.4 Making Friends, Loving Clerks

The following sketch of my encounters with Dev provides a good starting point to unveil how a young Indian male can develop various types of relationships with Chinese female clerks, all of which crisscross their work and lives. Dev's relationships with Chinese women has less to do with a boss–clerk workplace engagement and more to do with friendships and courtships that blur and intermesh Chinese clerks' market disengagement with Indians' local business arrangements.

[43] For Indians who run their businesses on tight budgets, this description of clerks was widely accepted.

5.4.1 A Hidden Bank Account

Dev, a 26-year-old Sindhi, is a regular presence in the American Fitness Centre, one of the three gyms populated by Chinese, Indians, and other foreigners in Keqiao. Dev goes there almost every evening and spends at least two hours. I often met him there, where he would sometimes demonstrate how to strengthen my upper arms or teach me some Hindi phrases. Dev told me that he had become a gym fanatic several years ago when he was still working in Dubai. Now he was running his own agent company in Keqiao and splitting much of his time between conducting business and training his body. Fluent in Mandarin and knowledgeable in physical training, Dev was an engrossing figure in the gym. If we were coincidently leaving the gym at the same time, he always offered to give me a ride home, notwithstanding the fact that my home was only 200 meters away. On these short rides, I would sometimes meet Dev's Chinese girlfriend, who showed up when Dev and she had a date after a workout.

Despite our numerous encounters at the gym, I only came to know Dev more at a birthday party dinner, which he organized and invited me to join. In the early evening of the dinner, I went to Dev's office, as we planned to leave for the dinner together from there. It was the first time I visited Dev's office, and so I met his two Chinese clerks, Gao Xueqing, a male, and Zhao Mei, a female. In the

office, Dev informed me that he organized this birthday party for his former clerk Chen Yu, a female, who had moved on to work as a clerk in a Chinese supplier's office. Some of Dev's and Chen Yu's mutual friends had promised to attend the party. Zhao Mei, who got her current job in Dev's office through Chen Yu, was one of the invited guests. Zhao Mei left early to meet Chen Yu whilst Dev and Gao answered a few business phone calls with buyers and suppliers. After Dev and Gao finished their calls, Dev and I went to his car and Gao left for his home.

During the ride, Dev sternly warned me that I must not mention anything about his current Chinese girlfriend at the party. He needed me to keep it a secret because he did not want to upset Chen Yu, who, I realized at that moment, was not only Dev's former employee but also his ex-girlfriend. They had broken up not very long before. Dev did not want Zhao Mei to know that I was warned in this way, which is why he had allowed her to leave the office early instead of leaving with us. The party was held in a private dinning room (*baoxiang*) of a Chinese restaurant. In total, there were eight people, including five Chinese (with the exception of myself, all were young women working as clerks in Keqiao) and three Indians (Dev and two male friends). All of us were in our early to mid-twenties and unmarried.

Dev and Chen Yu sat next to each other and talked privately, and the rest of us rarely broke into their conversation. Left to ourselves, we had to chat with each other, mostly pushed by Dev's talkative Indian friends. Probably not

interested in consuming the Chinese dishes on the table, his two Indian friends instead drank excessively (they had brought two bottles of vodka) and chain-smoked while incessantly flirting with the three Chinese young women in English (they could not speak Mandarin). To my amazement, they repeatedly asked the three young women questions explicitly related to their sexual lives, such as whether they were still virgins and their opinion on sex between Chinese and Indians.[44] I was even more shocked by the fact that they all seemed to get along on these intimate topics. The young Chinese woman sitting next to me whispered in my ear that she is used to hearing Indians talk about sex so openly; she muttered: 'Indians are just like that … talking about this thing all the time.' Meanwhile, I, the only Chinese man in the dinner, was not left out. Pushing me to drink more, the Indian duo continued to ask me whether I had ever had sex. I refused to answer these questions publicly and I felt that my presence, both as a fieldworker and as a person, was becoming increasingly awkward as these talks went on.

Meanwhile, over one long conversation, Dev and Chen were talking about a local bank account that Dev had borrowed from Chen for conducting some of his local business transactions in RMB. They were talking in Mandarin, which

[44] In his ethnography of middle-class young Indians in Delhi, Favero (2005) describes the explicit language his male informants told him on love, sex, and bodies of women, with many of these views shaped by their pornographic consumptions (151–193). Some of their words echo with what I heard from some of my Indian informants in Keqiao, like those I encountered at this dinner party. Favero emphasized that his male informants mostly talk about sex and sexuality without approaching women in such ways in the real world, but this was not the case on this and some other occasions.

was incomprehensible to Dev's Indian friends. Dev urged Chen to check the balance of her account more frequently, as one of his Chinese suppliers was going to transfer in some money soon. Chen promised to call him when she received the money. Throughout the dinner, Dev and Chen seemingly had a happy night, as did their Chinese and Indian friends. I was probably the only one who was left puzzled by what I saw and heard during the dinner.[45]

In hindsight, Dev and Chen Yu's long chat on the bank account seemed even more bizarre than the intimate conversation among their Indian and Chinese friends. The reason is because any foreigner in China, if holding a valid passport, could easily open a personal bank account in any Chinese bank in Keqiao. A few times I was even told that some Indians succeed in opening local bank accounts in Keqiao while holding expired Chinese visas. Hence, Dev had no obvious reason to use his ex-girlfriend's bank account to receive money from others, not to mention the risk that Chen Yu might never return the money to him.

Gao Xueqing explained to me what was going on. Coincidently, he resigned from Dev's company just one day after the dinner party. Gao Xueqing's resignation allowed him to speak more openly about Dev and to explain my puzzled observations at the dinner party. Gao Xueqing started by complaining about 'too little money' for his salary (1,500 RMB per month). He then disclosed

[45] It was not my first time hearing Indians talk about sex so openly, but it was my first time hearing Indians talk about it with Chinese young women. However, similar encounters to this occurred after that night when I was invited to other birthday parties and pub nights.

the more important reason for his resignation: He was upset that Dev never trusted him as much as he trusted his female colleagues. He said, 'If you and me are also beautiful girls (*piaoliang de meimei*), Dev will definitely tell us everything.' One beautiful girl to whom Gao Xueqing was referring was Chen Yu. Although Dev and Chen Yu had broken up both their romantic and work relationships, Gao Xueqing suggested that the two were maintaining some sort of '*aimei guanxi*' (literally translated as ambivalent love relationship) because they were still so closely in touch with each other. Gao Xueqing knew that Dev had opened several local bank accounts for business transactions in RMB, so he agreed that there were no practical reason for Dev to use Chen Yu's bank account. Instead, Gao Xueqing maintained that the reason why Dev had some of his Chinese suppliers' payments transferred to Chen Yu's account was that Dev wanted to use this money-keeping practice to retain his intimate relationship with her, thereby expecting Chen Yu to voluntarily reciprocate with the same level of trust and affection. Although Gao Xueqing was not sure if Chen Yu would keep Dev's money safe as Dev expected, he was certain that Chen Yu still held affection for Dev because he was 'quite handsome (*shuaiqi*) by the Chinese standard,' and rich enough as a 'little boss' (*xiao laoban*) who could afford 'an Audi and an apartment.' Gao Xueqing contended that such a level of wealth and physical appearance would be attractive to young Chinese women like ChenYu, who earned a fixed and low income.

The story of Dev is illuminating in two ways. First, it demonstrates how some Chinese female clerks may interact with Indian male agents beyond the boss–clerk hierarchy and its workplace expectations. According to Gao Xueqing, Dev did not pay higher-than-average salaries to his clerks. Nonetheless, Dev had mindfully maintained a very close relationship with Chen Yu even after their break up. Second, it shows that not only the high level of intimacy and trust that had developed between them, but also Chen Yu's informal 're-engagement' with Dev's business. The relationship after the break up, or in Gao Xueqing's words, the *ai mei* relationship, still connected the two of them by a shared business affair that was largely hidden to outsiders. Chen Yu let Dev use her bank account for his local trading business, and the account was co-managed. This interaction, which crossed into both their public and private lives, was apparently favoured by both of them.

Dev's *ai mei* relationship with Chen Yu offered no apparent advantage to his already well-established agent business. However, for young and desperate novice Indian agents and subagents looking for local know-how in the fabric trade, such relationships with Chinese female clerks could prove critical. That is to say, a Chinese female clerk's engagement with a male Indian's nascent business venture could profoundly help the latter to quicker and better engagements with resources in Keqiao's fabric market. This is the case of subagent Sharma.

5.4.2 An Unrequited Lover

Sharma worked alongside Zhu Songling, a female clerk, in a trading company. Sharma told me Zhu Songling was like an 'angel' to him, as she was 'kind' to him, always approachable, and gave him much advice in making his life in Keqiao a better one, from where to eat good food to how to deal with the Chinese suppliers. Given that Zhu Songling had no obligation as a clerk to take care of him, Sharma believed that she perceived him more as a good friend than as an ordinary colleague. As Sharma recalled, he felt warmly touched by Zhu Songling, especially after his arrival in Keqiao. During his first few months in Keqiao, Sharma faced insurmountable working pressure that nearly broke him mentally. He was not able to strike a deal because the Chinese suppliers in the Old Marketplaces refused to give him fabric samples or price information. Afraid to tell his boss, Sharma chose to reveal his struggles to Zhu Songling. She helped Sharma much more than he would have expected. For example, without telling their boss, she disguised herself as a Chinese salesperson to help him collect fabric samples from the Old Marketplace, which he needed within a short timeframe. It was only with Zhu Songling's help that Sharma closed his first deal, four months after he arrived in Keqiao. Although the deal was small, it brought huge relief to Sharma, as his boss had threatened to cut his salary or send him back to India unless he could bring in a profitable deal for the company.

Sharma told me that as time went on, he began to fall in love Zhu Songling. Yet, he kept this feeling hidden from her, not because he was too shy to

confess his affection but rather, as Sharma emphasized, it was not yet 'the right time,' because they were still working in the same company. Sharma was afraid that if he and Zhu Songling were in a romantic relationship, their boss would easily find it out. Then, as Sharma thought might happen, the boss no longer trusted Zhu Songling in the workplace, as she put Sharma's interest before the company's. Sharma did not want to continue to jeopardize Zhu Songling's position in the company, and he also feared that she might reject him if he had asked her for a date, which would irreparably damage their current friendship. Given that her help was important to his work, Sharma did not want to risk losing Zhu Songling as his close friend. These two concerns convinced Sharma that he should wait to let Zhu Songling know his feelings until he was able to establish his own agent business, and therefore could afford for such a romantic relationship.

Sharma's case study again reveals that a new Indian arrival in Keqiao faces drastic challenges in the workplace, as well as other parts of their lives. Additionally, it also tells us how a friendship with a Chinese female clerk could overcome these early struggles and keep the entrepreneurial dream alive. Some of the help provided by a female Chinese clerk could even change the destiny of a novice subagent. Had Zhu Songling not helped Sharma land his first deal, he most likely would have lost his chance to keep his working life in Keqiao.



Figure 5.1. A Chinese woman and an Indian man prepare fruit bags to be distributed to attendees of Cheti Chand, a Sindhi religious festival celebrated annually by Indians.

5.5 Involution of Relationship

As clearly outlined above, Chinese female clerks, with their dual work ethic, could be indispensable to many Indian subagents bereft of capital, local networks, and business knowledge during their opening years in Keqiao. One might even suggest that the closer a relationship becomes (that is, progressing from friendship, to love, and even marriage), the more advantages this relationship brings to an Indian's local business. However, in reality, this type of progression is complicated, and not a teleological process.

There are important questions Chinese and Indians have to consider before starting a romantic relationship or getting married. Would they be accepted

by their Indian and Chinese families?[46] What if their parents oppose it? Have they earned enough money to sustain new lives together in China or elsewhere? Do Indians need to make China a permanent home? What would the people in their respective communities think of them? Would their bosses have any reaction? For Indian subagents at the early stage of their careers, these questions are particularly difficult to consider, given that their future lives in Keqiao are full of uncertainties. The same holds true for female Chinese clerks. Many of these clerks came to Keqiao because they wanted to escape from their families, who were pressuring them to get married. That was probably the reason why many Indians and Chinese kept close friendships for a long time but were reluctant to start romantic relationships. It is worth noting that only fifteen Indian–Chinese couples registered with the local government between 2008 and 2012,[47] whilst there were a much larger number of Indian–Chinese couples seen in public, and even more cases in which an Indian claimed a Chinese female clerk as his 'best friend' in Keqiao.

Throughout my fieldwork, I was in touch with five Indian–Chinese couples in Keqiao. The Chinese wives had been former colleagues of their Indian husbands, had been clerks working in neighbouring offices, or were friends of the friends, which can all be tagged as once belonging to the special group of female

[46] In his study of Chinese–foreigner couples in cosmopolitan Shanghai, Farrer (2008) showed that intermarriage has been politically and culturally racialized over the last one hundred years in Shanghai. He showed that while intermarriage was becoming more acceptable, it still faced much discouragement from society and family (8– 10).
[47] I obtained this data in March 2012 from Shaoxing City Government's Civil Affairs Bureau (*Min Zheng Ju*), where Chinese–foreigner marriages are to be registered.

clerks discussed above. Noteworthy, these wives no longer worked, nor were they directly involved in their husbands' businesses. Two of them occasionally stopped by their husbands' offices to perform seemingly trivial tasks, such as cleaning the office or making pantone booklets. The other three were full-time housewives, spending all of their time at home. In some of their Chinese friends' words, their lifestyle was now completely 'Indianized' (*yinduhua*), largely referring to the observations that these Chinese women, just like the Indian wives they had seen in Keqiao, were strictly prohibited by their husbands to work outside or even to socialize after the marriage. That might be true of some, but not all, Indian–Chinese marriages. Nonetheless, it was generally the case that Indian husbands were not fond of the idea that their Chinese wives—and some even went as far as *all* women—were working in their trading company or becoming their business partners.[48]

In one case, a Punjabi man allowed his Chinese wife to run an Indian grocery store in Keqiao, instead of letting her assist in his agent business. Chatting over a few rounds of beer, he said candidly to me that it was an arrangement to ensure that his Chinese wife would not become 'too bored' and would have 'something to occupy her mind'; otherwise, their marriage would 'have many

[48] One may argue that this is a general and common pattern: that women are set to play only a peripheral role in business after marriage, especially in the highly masculinized sectors (e.g. Zhang 2001: Chapter 5). But nonetheless, I found that the marginalization of Chinese women after intermarriage was especially acute, as compared with Chinese women who married Chinese businessmen in Keqiao. In all, the Chinese–Chinese marriages I knew of, the wives worked in their husbands' business. It should be noted that the husbands were always the head of the businesses.

problems.' While investing in a grocery business might bring in some extra income, this Punjabi man did not consider it as important as his own trading business. In other words, he did not think his Chinese wife would be an asset in his trading career, even though the grocery store was generating extra income for the family. There are ethnographic studies that show a better business outcome of foreign traders marrying local women (e.g. Farrer 2008; Marsden and Ibañez-Tirado 2015). Comparing this literature and some of the fruitful Chinese–Indian business linkages I had observed pre-marriage, the post-marriage 'depreciation' of Chinese women's business contribution is quite puzzling here.

To borrow a term from Geertz (1963), the Indian–Chinese relationship appears to become 'involutional' when the level of intimacy progresses to marriage; that is, while their romantic relationship is strengthened, women's re-engagement or full engagement in their husbands' agent careers is paradoxically not encouraged, or, worse, not valued. In other words, a Chinese woman cannot be a critical driver to stimulate the growth of an Indian's agent business after marriage. Why is this? One explanation, which was reflected in comments by some of my Chinese supplier informants, is that these women were no longer seen as 'Chinese' in the market. As these informants explained, who's who in an Indian–Chinese marriage is widely circulated as gossips in the market, mainly because Indians are always 'talking about it' when dealing with Chinese suppliers and salespersons. Indeed, most business meetings between Indians and Chinese begin with greetings and then updates on each side's family. Indians usually took

pride in pronouncing such marriages, showing off 'how Chinese they have now become,' in one informant's words. Indians undoubtedly perceive this new 'Chineseness' as an enhanced status, but, ironically, it was rarely the same for their Chinese wives, who would now be seen as more 'Indian,' to be suspicious of by the local supply market. To be sure, no Indians' Chinese wives could move as freely as the unmarried Zhu Songling, for example, to help Sharma fetch fabric samples in the marketplace. Furthermore, it was also the intention of most Indian men not to have their wives, be they Indian or not, work in their agent businesses. I found a substantial number of Indian wives in Keqiao, but none worked in their husbands' trading offices.[49] Nearly all were housewives only, and their exposure to Keqiao was relegated to shopping at the supermarkets or local food bazaars. Boredom and homesickness pervaded some of their conversations with me, and they complained there was no social life for them in Keqiao. I asked an Indian agent why his Indian wife, despite being a university graduate and fluent in English, did not work for him. He told me that no Indians in Keqiao would take their wives to work because it would send 'a wrong signal to the world' that their company was not in a good shape, as even their wives had to work. The Indians' Chinese wives were obviously suffering the same fate, as their Indian husbands upheld their 'women-free' business image.

[49] For a detailed study of Indian women in Keqiao, see Cheuk (2013b).

5.6 Conclusion

This chapter examined the gender relations between male Indian agents and subagents and female Chinese clerks in Keqiao, with regard to their encounters in the workplace and other occasions when these Indians asked for help. It demonstrated that while the Chinese clerks were largely marginalized in the male-dominated fabric sector, they were by no means marginal players in helping Indians, especially those who were struggling in their new lives in Keqiao. Mostly disinterested in the fabric trade, female clerks were probably the only players in Keqiao to offer significant help without asking for anything in return. For example, these clerks were particularly helpful in navigating the Old Marketplace for the Indians, who were not welcome there. Through these encounters, these clerks helped Indians build strong foundations for their early business prospects. As many Indians emphasized to me, without such help, their early survival or later successes would not have been possible. This growing intimacy rarely resulted into romantic relationships or intermarriages, which were largely discouraged by the work structure of the fabric trading economy, as seen with Sharma and Zhu Songling.

This chapter also explains why these single female Chinese clerks could provide significant support to Indians, yet, in this patriarchal business environment, were considered incapable of helping negotiate with local suppliers and Chinese salespersons in the deal-making process, or of even helping in the

office after marrying an Indian. This dichotomy, while still in existence, was not witnessed as strongly with female Chinese clerks who married Chinese agents.

Indians still have more to do in order to make their businesses more sustainable and successful. The next chapter will explore what these Indians have to do through a study of their encounters with Chinese salespersons.

Chapter 6: Chinese Salespersons in the Middle

6.1 Introduction

Following the exploration of encounters between Indian agents and subagents and Chinese clerks in last chapter, this chapters examines the encounters between Indian traders, including both agents and subagents, and Chinese salespersons—the key players in the Chinese trading companies—in the intermediary business. While Chinese clerks provide significant local support to Indians in everyday lives, Chinese salespersons directly help Indian traders make more profits by developing mutual benefits. These benefits, which will be mainly examined through the stories of Chinese salespersons, are generated by an informal economy that capitalizes on China's export rebate policy. This informal economy refers to the usual practices that Chinese suppliers overreport export volumes to receive more rebates. On paper, neither Indian agents nor Chinese salespersons are entitled to get a share from the export rebate. In practice, however, Indian agents and Chinese salespersons are able to turn themselves into indispensable players in this informal economy. It is done by first obstructing and, after they were paid by the suppliers, re-facilitating the deal-making process. By and large, this is the most obvious example of strategic counteraction that I outlined in the thesis introduction.

The first half of chapter will introduce the salespersons in Keqiao. It will show that not all salespersons are capable of trading fabric with Indian agents.

The second half of the chapter will show which kind of salespersons are able to partake in the informal economy of export rebates, and how they do so with Indian agents.

6.2 Who Are the Salespersons?

As seen in the title itself, salespersons are employed by Chinese suppliers, including those run trading companies and/or factories, to boost the sales (*yewu*) of a company. Unlike clerks who work on a company's sideline, salespersons are at the forefront of an employer's trading business. Clerks are responsible only for the ancillary tasks assigned by their employer whilst salespersons are directly accountable for business growth and to create extra value—that is, to bring in orders by doing business with outside buyers, agents, or subagents. Therefore, salespersons need to work autonomously in order to find and then negotiate with potential clients. In relation to this thesis, to target an export market, which has always been considered more profitable than a domestic one, a great deal of time is spent on gathering the contact information of foreign agents and, to a lesser extent, subagents based in Keqiao.

In sharp contrast to the generally consistent low wages of clerks, the earnings of salespersons vary greatly. Amongst the salespersons I met, the basic salary level (*dixin*) ranged from 1,500 RMB to over 10,000 RMB, not including end-of- year bonuses. Earnings were dependent on work experience and, more directly, measurable job performance. The higher the number of profitable deals a

salesperson can broker, the higher the salary incentive offered by the company. However, novice salespersons can be given a pay cut for not producing enough deals in the time requested by their employer. Salespersons are also entitled to a certain rate of commission (*ticheng*), offered by their employers or, on rare occasions, by the buyers should a deal be completed successfully. The amounts of these commissions vary. For example, a first-year salesperson bemoaned to me that her commission (1 per cent of what her company made from one deal) was extremely low; meanwhile, an experienced salesperson at another company told me that he could negotiate up to a half-share of the total profit his company earned from a single lucrative export order.

6.3 A Chinese Trading Company

From July 2011 to January 2012, I spent much of my time closely following a Chinese trading company I call Dragon Co. Ltd. I regularly visited its office; frequently talked with many of its personnel at length; and shadowed several on various occasions to planar business sites, especially to Indian agents' offices. By closely examining the stories of some of the salespersons in this company, some of whom had dramatically different working lives after one-half year, it is not only possible to reflect on their myriad career trajectories, but it is also possible to glimpse how they developed different responses to dealing with Indians in Keqiao.

6.3.1 The Company Background

To set the stage for discussing these salespersons, it is first necessary to describe the background of their employer, Liu Da; his trading company; and its associated supply base, which is linked by a family business network. Liu Da, a Chinese from Sichuan Province, was in his mid-forties when we first met in 2011. He has one older brother, Liu Zong, and one older sister, Liu Jie, and Liu Da himself is the youngest. They run different kinds of businesses in Keqiao's fabric market. Liu Zong, who is the richest of the siblings, owns the largest business; he used to run a factory (*gongchang*) equipped with various kinds of knitting, dyeing, and printing machines before it was bought out by the local government in 2009. Now Liu Zong owns a warehouse (*cangku*) on the outskirts of Keqiao, where the value of stocked goods is over a few hundred million RMB at any time. Liu Jie owns two wholesale outlets in Old Marketplace, with a focus on the domestic market. It should be noted that the Liu siblings are not running a joint family corporation together, although their business operations are closely intertwined and, to a certain extent, operate with a rather clear sense of specialization and cooperation. This is, in a way, quite similar to the partial linkages between factory and wholesale units (Chapter 2).

The family business's linkage is that Liu Zong's warehouse constitutes the main source of fabric supply for Liu Da's Dragon Co. Ltd. and for Liu Jie's wholesale outlets. In processing the production contracts received through his brother, sister, and their associated sales units, Liu Zong often offers them many

nepotistic arrangements that significantly lower the costs of storage fees and other time-related cost of their deals; two particularly common concessions are a willingness to accept clients' late payments and to make the orders at a discounted rate. This kind of arrangement, of course, increases the profits made by Liu Da and Liu Jie, but not necessarily of Liu Zong. At first glance, in giving such generous help to his siblings, Liu Zong seems to doing a personal favour for them, not making more money for himself.

Nonetheless, for all of them, it can be considered a long-term investment as shared business interests emerge from the family business linkage. Liu Zong is more dependent on his siblings' trading businesses, particularly that of Liu Da, more than the other way around. By and large, their shared business interests are articulated by the usage maximization of Liu Zong's fabric-processing facilities, which is necessary to keep the warehouse running for the benefit of all.

However, it is not easy to spot their shared business interests by merely looking at Liu Zong's trading activities, which have been highly successful over the last two decades. In the 1990s, Liu Zong was one of the first Chinese suppliers to introduce knitted fabrics (*zhenzhi bu*) in Keqiao; at the time, such fabrics were technologically the most sophisticated and most profitable. Being a pioneer in the sales of knitted fabrics earned him the 'first bucket of gold' in the market. Since that time, Liu Zong has developed a strong and long-term alliance (*jiemeng*) with powerful Chinese buyers in the downstream garment industries in China: the

buyers who place large-scale fabric orders on a regular basis. Thanks to the exclusive connections developed with these buyers, Liu Zong always manages to correctly predict the kinds of fabrics his loyal buyers want to order. This business information allows him to run a lucrative preorder stockpile (*xianhuo*) trading business. By making and stocking products in advance, he can easily and quickly sell from his warehouse. The turnover of one stockpile deal can earn several million RMB.

Not surprisingly, such stockpile sales are some of the most profitable types of fabric trading in Keqiao because buyers are usually willing to pay more and without much bargaining, so as to catch up with the fast-changing fashion cycles. As a result, Liu Zong can make much more money than his siblings in one single deal. For example, in one stockpile sale of a few million metres of knitted fabrics, Liu Zong cut a profit margin at 15 RMB per metre. I was given permission to review Liu Da's company sales records, and, by stark contract, saw that he usually made less than a few RMB per metre in the sales of similar kinds of knitted fabrics. There is also a longer waiting time for payment to come from these less profitable deals.

The gap in their profit-making abilities, however, is only a small part of the picture. When Liu Zong still had a factory, which was a capital-intensive business, its daily operation costs was over 10,000 RMB. So it was all but impossible for Liu Zong to sustain the factory only by his sole proprietorship,

regardless of how much money he could make from the limited number of stockpile deals per year. To realize its full production potential, and, perhaps equally important, to endure his own slow seasons, Liu Zong worked hard to make sure his factory was operating every day with a full booking of its production schedule, while the goods in the warehouse were always on the move. It did not matter if these outside deals were less profitable or even only offset most—but not all—of the costs of operation. For this reason, Liu Zong relied heavily on Liu Da and his sales team at Dragon Co. Ltd. for a large number of export orders, which kept up the factory's production and warehouse's storage and trading capacity. In short, there was a pronounced need for Liu Zong's factory to keep producing and warehouse to keep trading fabrics at all time.

Liu Zong sold the factory in 2008 as his business was once badly hit by the global economic crisis. Nonetheless, Liu Zong's business gradually recovered and now it still maintains a strong momentum. That is because Liu Zong, while keeping his warehouse in Keqiao, has since formed a partnership with a fabric factory in Jiangsu Province, which provides more or less the same production efficiency and flexibility as what his own factory used to offer. With the continuing support of Liu Zong's warehouse facilities and its associated factory, his brother Liu Da can adopt a proactive sales strategy in the export deals. By and large, this means his company operates on a bespoke business model, which is a commodity-selling strategy whereby the trading company only starts to produce and process fabrics after a buyer places an order. This flexible consignment

model, which is common in Keqiao, is seen as a particularly effective way to cater to a wide range of overseas buyers and the associated markets, which have unique and ever-changing tastes for fabrics.

This is how a bespoke model works: the buyer or the representative (i.e. agents or subagents) of the buying side explains to the supplier the requirements of the fabric (e.g. colour, patterns) and other business-related matters (e.g. deadline of completion) before the production phase, thereby allowing the factory to customize what the buyers want to buy. In this model, both the selling and buying sides are expected to give a prompt and flexible response so as to keep up with the rapid market changes in the global fashion industries. While Keqiao and its nearby area continues to provide cheap and efficient facility in fabric productions.

6.3.2 Seven Salespersons

Having dropped out of primary school to work at an early age, Liu Da can neither speak nor understand English. I observed in the office of Dragon Co. Ltd. that Liu Da never talked with any of the foreign buyers, agents, or subagents who made inquiries about or on the finalization of bespoke deals, which entail several rounds of negotiations and bargaining. Instead, these intensive communications tasks were handled by his sales team. During most of my fieldwork, seven salespersons worked at Dragon Co. Ltd., which is a relatively large workforce for a trading

company of this size in Keqiao. Table 6.1 lists the basic information of these seven people.

Table 6.1. Sales Team at Dragon Co. Ltd. as of January 2012.
Source: Author's fieldwork (2012)

Name	Sex	Age
Luo Guo	M	late 30s
Zhou Ping	M	mid 30s
Yan Ling	F	mid 30s
Song Yun	M	early 20s
Xiao Yang	M	early 20s
Wang Ming	M	mid 20s
Yao Zheng	M	early 20s

Some clear-cut differences can easily be discerned within this sales team. First and foremost, three people are older and senior than the others. Luo Guo and Yan Ling were not only the most senior, but also the best performing in the company. For example, in 2010 they together brought in the highest profits—over 400,000 RMB, which was their highest record since they joined Dragon Co Ltd. Zhou Ping did not contribute as much, but he was still highly respected in the company, occasionally dubbed 'an expert in the Middle Eastern market' (*zhongdong shichang zhuanjia*) because he contributed to a number of export deals to various Gulf countries, despite the relatively low profitability per deal. He

maintained reliable and extensive connections with some of my Indian informants in Keqiao, who specialize in such regional trade. Song Yun (see Chapter 4), the youngest of the sale team, started to work at the company in 2010; he was then engaged to Liu Jie's daughter (Liu Zong and Liu Da's niece; they were married in November 2011). He was a rising star in the office because of his continuously improving sales record. Xiao Yang, Wang Ming, and Yao Zheng started in July 2011. Xiao Yang and Wang Ming joined the sales team immediately after their graduation. The two had been classmates at a university in their home province of Anhui, while Yao Zheng came from a local village not far away from Keqiao. Unlike their colleagues, who were deft in brokering deals, these three novice salespersons struggled to bring in orders throughout their time at Dragon Co. Ltd.

Before working at Dragon Co. Ltd., Luo Guo[50] had been an English teacher at a secondary school, and had also worked for a Chinese trading company in Dubai for a very short time. However brief his stay in Dubai, such experience was seen as rather exceptional, given that very few Chinese in Keqiao had ever worked overseas. His excellent performance in consistently creating a large number of highly profitable orders led to rumours that he would soon quit to start his own trading business; he was certainly capable of doing so whenever he wanted. Probably to distance himself from such speculation, he seldom talked with his colleagues, and he never spoke with the three struggling novice salespersons. Yan Ling was even more elusive, as she was rarely in the office. Luo

[50] I did not interview Luo Guo but collected information on his background through others, including Song Yun and Xiao Yang.

Guo and Yan Ling also hardly showed up in the office, but they did much of their work outside of it. It was in stark contrast with the job requirement that three new salespersons were obligated to stay in the office throughout office hours, even if they had nothing to do.

Because of the business success in 2010, Liu Da ambitiously sought to expand the scale of his trading company in 2011 and 2012. The company nearly doubled the size of its workforce, took part as an exhibitor in two international textile trade fairs in Shanghai and New York City (see Figures 6.1 and 6.2), and established a branch sales office[51] in Shanghai. However, these new investments did not materialize into any expected result. Despite the increase in manpower, the business performance of 2011 was about 30 per cent worse than 2010. Xiao Yang, Wang Ming, and Yao Zheng, due to their sluggish sales performances, were suddenly given notice of a pay cut in late 2011. It triggered the trio's collective resignation after the Chinese New Year holidays in February 2012, which was only halfway into their yearlong contracts. In November 2011, Song Yun informed Liu Da, and a few close friends, including me, that he had decided to leave Dragon Co. Ltd. after the Chinese New Year, as he was going to set up his own trading company. Song Yun told me that he felt it was now the right time to move on, having recently married. In fact, people in the Liu's family recognized it as the inevitable plan even before Song Yun started working there a year earlier.

[51] The Shanghai branch office was 'housed' in a two-room apartment where Xiao Yang, Xian Ming, and Xiao Zheng were both working and living. Song Yun was appointed their supervisor, and thus had to travel between Shanghai and Keqiao on many occasions. The three new salespersons spent substantially more time in Shanghai than in Keqiao.



Figure 6.1. China International Trade Fair for Apparel Fabrics and Accessories, Shanghai New International Expo Centre, autumn 2011. Of the 777 exhibitors in Ladies Wear Fabric, nearly half, including Dragon Co. Ltd., were suppliers or trading companies based in Keqiao or Shaoxing City.



Figure 6.2. A ladies-wear fabric exhibitor from Keqiao answers an enquiry at the China International Trade Fair for Apparel Fabrics, Shanghai, autumn 2011.

Given that the three novice salespersons and Song Yun, who had been the main staff stationed in Shanghai, were leaving the company at the same time, the Shanghai branch was forced to be close prematurely, and only after five months into its operation. The top salesperson, Luo Guo, also left the company. His departure, whilst undoubtedly the most undesirable, was nonetheless the least surprising. Before the three-week Chinese New Year holidays in mid-January 2012, Xiao Yang told me that he realized, and probably so did the others, that Luo Guo was covertly running his own trading office in Keqiao while still working at Dragon Co. Ltd. This is probably the reason for his slump in sales volume in 2011, as compared to his impressive and rather consistent record in previous years. That year was also the first time that Yan Ling became the best performing salesperson in the company.

Losing these salespersons, however, did not cause a workplace quagmire because new salespersons were hired. Yan Ling and Zhou Ping certainly stabilized the company's day-to-day operations, at least to the extent the workforce was returned to the same scale as before. This hiring indicates that Liu Da had no intention to downsize his workforce, despite his failure in expansion.

6.4 Same Market, Different Outcome

I did not familiarize myself with the new salespersons at Dragon Co. Ltd., but for the remaining months of my fieldwork in Keqiao, I maintained particularly close contact with Xiao Yang after he quit. He stayed in my home intermittently for a

total of more than one month. On numerous nights, he recounted in considerable detail his experiences at and observations on Dragon Co. Ltd. His story, as shown below, provides some highlights on why Indian agents are reluctant to place orders with some salespersons but not others, even if they might be buying the same fabric on the market.

Xiao Yang comes from a peasant village in a rural hinterland of Anhui Province, and has no family history in business. His higher education was not of much help in his job in Keqiao, as he had majored in agricultural science. When he started to work at Dragon Co. Ltd., he did not know much about the fabrics trade, although he aspired at some point in the future to establish a trading business.

Soon after leaving, however, Xiao Ying realized that his direct work experience was not necessarily helpful in his personal pursuit in business. He knew that his lack of on-the-job training and support, combined with his, Wang Ming's, and Yao Zheng's, unrealistic sales targets as novices, were clear messages to Xiao Ying that he should not spend too long at that company. Nevertheless, during his half-year stint in Dragon Co. Ltd., he had picked up some know-how of this trade through his own explorations in the market.

Expected to work mostly on their own, Xiao Yang, Wang Ming and Yao Zheng, had the following three tasks to fulfil: (1) make pantone booklets (*seka*;

see Figure 6.3) to be sent to suitors and agents; (2) collect the contacts of potential buyers and agents; and (3) negotiate with interested parties, convincing them to place orders. These tasks might seem simple and straightforward, but Xiao Yang found that for an inexperienced chap like himself at that time, it was intrinsically challenging and difficult, not to mention overwhelming when trying to do all three at the same time.



Figure 6.3. Several 29-colour pantone booklets being put together in a factory in Keqiao.

Because of Task 1, Xiao Yang and the other two usually found themselves stuck in the office till late into the night. This was not because making a pantone booklet was time-consuming. Even though they had to be hand-made in a delicate way, the whole process (collecting the correct colour samples and gluing them onto the correct boxes in the booklet) usually took no more than a few minutes. Rather, the reason was because Dragon Co. Ltd. used to request a large number of

booklets with a strict deadline and on short notice. Xiao Yang, Wang Ming and Yao Zheng were also expected to make booklets for all seven salespersons in the company. It turned out to be a very heavy workload, as the trio also had to spend time on Tasks 2 and 3. As a result, they only had time to make these booklets hastily at night.

For Task 2, Xiao Yang spent much time on what he called 'sweeping the house' (*saolou*) in promoting the company's fabrics to potential customers. That was, he was to visit each of the offices of Indian and Chinese agents in the New International Trade Zone and other parts of Keqiao. This was also meant to snowball his business contacts for Task 3. But, more often than not, he was denied access to these offices and his request for their business cards was bluntly rejected. In the beginning, he could not understand what had gone wrong, but later he came to understand the situation, which inspired him to find his way out. He realized that whilst these agents were suspicious of unknown faces in general, they tended to be friendlier to visitors coming from outside of Keqiao. So, Xiao Yang sometimes disguised himself as working in a factory or a trading company far away from Keqiao. For example, he once presented himself as a sales representative for a factory in Ningbo, using a business card he had collected from someone at a trade fair. He said the disguising strategy was quite effective, as no one had ever questioned his identity and he was able to gain agents' contact information. Nor did they recognize him when he called on the agents later, probably because so many salespersons visited them for the same reason.

After finding clients who might be interested, Xiao Yang had to start Task 3 immediately. He sent out the pantone booklets using Express Mail Services (EMS) (*kuaidi*), and occasionally included fabric samples (*jiyang*) as requested by the interested parties; by using EMS, the packages usually reached them within a day. Then he would try to visit or call them to give a price quote and to check if their requirements could be met by Dragon Co. Ltd.'s supply line. If he reached this stage of negotiation, Xiao Yang would be able to judge whether the potential clients were genuinely interested in buying their products.

However, Xiao Yang said Indian agents never responded to his follow-up calls or visits after he sent them the pantone booklets, nor did any Chinese companies. Instead, only Chinese merchandisers (*caigouyuan*) working for relatively small-scale garment factories located outside of Keqiao continued business talks with him. He had clinched only small deals through these merchandisers. The size of these deals could satisfy neither him nor Dragon Co. Ltd.

There was one deal, done through a Chinese merchandiser employed by a factory in Northeast China, which taught him a hard lesson. Before negotiating for a full deal, the merchandiser, on behalf of his factory, bought 'a yard order'[52]

[52] A yard order is an order of fabric of one or a few yards. The yard order is a testing order, which is usually made before the actual order as a way for the buyer to check quality and lead time of production.

(*madan*) from Xiao Yang so that the merchandiser's boss could check whether the fabric samples were suitable. After a short amount of time, this merchandiser told Xiao Yang that the factory was satisfied with the quality of the fabrics and would make an order very soon. Then, one day out of the blue, Xiao Yang received a call from the merchandiser's boss urging him to submit the sales contract as soon as possible, as the company suddenly and urgently needed to get the order completed before the end of that day. Without hesitation, Xiao Yang complied with this plea and sent out the finalized sales contract.

The deal was, therefore, completed rather quickly, but not as originally expected by the Chinese merchandiser, who called Xiao Yang to say that he was upset that the deal was forced through in such a way. He claimed that Xiao Yang should have texted or e-mailed him the sales price before sending the official contract to the company. It was not until this point that Xiao Yang became aware that the merchandiser actually wanted to know informally and first about this order so as to manipulate, if possible, the sales numbers without the merchandiser's boss knowing. This would have needed to be done with Xiao Yang's help. As Xiao Yang now understood, the merchandiser wanted to negotiate privately because the final sales price for the fabric affected the commission the merchandiser would receive from his employer, and, if the fabric were resold at a profit, the price a buyer would pay in the next round of trade. Xiao Yang never received another order from this merchandiser. Now regretful, Xiao Yang explained that if there had been an opportunity at a second chance in a similar

situation, he would have first developed a strategic business relationship with a merchandiser, as both parties, in the long run, would have gotten the most from their respective workplaces.

But there was no second chance, as Xiao Yang's time at Dragon Co. Ltd. came to end rather prematurely. And even if there had been a second chance, Xiao Yang believed the company would not have offered him the needed support to develop such a relationship fully. In particular, he was certain that Liu Da did not have the patience to wait for the promise of his success, telling me: 'The company sees money as too important (*baqian kande taizhongyao*) … they only see how much money you can make now, but are never willing to invest time and money on a person. Perhaps that's the mindset of a small company. As a novice, it's very difficult to meet the unattainable expectations set in the company. They just think you're useless if you can't bring in any business immediately.' Through his experience with the Chinese merchandiser, Xiao Yang had learnt it was a lengthy process to build trust between the selling and buying sides in the fabric trading industry, and large deals would come only after mutual trust had been built through several successful small deals. Hence, Xiao Yang blamed his underperformance on Dragon Co. Ltd because he was not given enough time to build up long-term business relationships with others.

Despite being confident in getting orders from the employee-type merchandisers, Xiao Yang also admitted that significant Chinese suitors and

Indian agents, who usually placed orders of much larger sizes, were outside of his deal-making radar, as they declined any chance of dealing with Xiao Yang and his peers. Because they thought that he was less trustable than other more experienced salespersons like Zhou Ping. As Xiao Yang remarked, if he had clinched only one deal from such a big buyer, it would have been enough to pass the company's half-year sales target because the size of such a deal would usually be more than 10,000 metres, or, as it was conventionally counted in Keqiao, 'one container' (*yige gui*).

The important Chinese suitors were mainly two subgroups of market players: Chinese bosses in the downstream market and powerful Chinese merchandisers. For the Chinese owners of garment factories, it was common for them to deal directly with supply owners, such as Liu Zong and Liu Da, rather than a salesperson. One reason was that such potential buyers often had more demanding requirements on the quality of the goods, and the owners of the supply factories had more control on their supply lines and facilities. This obviously was a more reliable way to procure fabrics up to buyers' standards. If there were a quality issue with the fabric, the wholesale price of the finished goods, such as garments and home textiles, would plummet. It made no sense for the buyers to buy fabric from someone who had no authority over quality control.

Important Chinese merchandisers, for example, are the head designers (*shouxi shejishi*) of fashion-brand garment factories. As Xiao Yang and other

informants told me, these designers were the ones who proposed the type of fabrics that their companies should purchase. At any time of the year, this kind of garment factory could procure at least a hundred thousand metres of fabric for its production. In this sense, head designers directly shaped a lot of lucrative buying choices and decisions in the market. Given their profound influence, many fabric suppliers in Keqiao sought to cultivate patron–client relationships, which were usually done by offering valuable gifts or even kickbacks[53] as incentives for future collaborations. For instance, the most recent version of the iPhone (when it was first released)[54] and a pack of 1,000-RMB supermarket vouchers were common gifts presented to these designers. Despite very well understanding this situation, Xiao Yang could not afford to make such offers and, therefore, could not break into such circles of business patronage.

Similarly, doing business with Indian agents remained largely an untouched world for Xiao Yang, though not an unknown one. Throughout his time at Dragon Co. Ltd., he did not do any marketing specifically to Indian agents. In

[53] Widespread development of patronizing relationships can be found in studies of other Chinese business activities. One notable work is by Wank (1999), who argues that patron–client ties reached a new level of significance in commercial activities after the revival of private entrepreneurship in China. Pieke (1995), on the other hand, suggests that patron–client relationships, like any mutual benefiting trade relationship cultivated in a complicit way, can be understood as an integral part of what he calls 'the capital socialism' in postsocialist China. According to Pieke, normal business reciprocity is unavoidably intermeshed with state bureaucracy and other market institutions.

[54] At the time of my fieldwork in November 2011, the iPhone 4S was the most up-to-date model of iPhones. It was first available in Hong Kong, but not Mainland China. In Hong Kong, the new iPhone sold for US$657, while the import price in Keqiao was, at one time, as high as US$1,000. As such, the iPhone was widely perceived as a valuable gift to be presented to people who might exchange favours with one other in business. Probably for this reason, many Chinese and Indian informants, who knew that I came from Hong Kong, approached me to see whether I could help them buy the iPhone at the cheaper price from Hong Kong.

promoting the company's fabrics, he did not carry out any differentiating strategies when 'sweeping the house' but only visited as many offices as he could. He told me that he was not very confident in his ability to speak English, so his communications with Indians and other foreigners were usually limited to short conversations and then an exchange of each other's business cards. Even Indian buyers who spoke Mandarin showed little interest in talking with him. Still, many Indians called Xiao Yang, requesting the pantone booklets for their consideration. But, to Xiao Yang's disappointment, none of them pursued any further enquiries. In a sense, Xiao Yang felt these Indians were only interested in taking free samples but not in doing business with him. Despite the numerous encounters, none of these Indian agents placed a single deal with Xiao Yang.

It was, however, a completely different story for the better salespersons, including Luo Guo, Zhou Ping, and Song Yun. As Xiao Yang had seen, Indian merchants often came to the office of Dragon Co. Ltd. to visit Luo Guo, Zhou Ping, and, to a lesser extent, Song Yun. No Indians had ever come to visit Xiao Yang, despite the fact that he had sent out the same pantone booklets as those sent by these salespersons; indeed, as noted above, Xiao Yang and his peers had made most of the pantone booklets. Xiao Yang had also witnessed that some overseas Indian buyers, accompanied by local Indian agents or subagents, came to finalize export orders placed by Luo Guo and Zhou Ping. Based on these observations, Xiao Yang learnt that even first orders brokered by Indian agents could easily amount to several thousand metres of fabric that filled from half to a full

container, which was definitely a very large one-time order for many trading companies in Keqiao (see Figure 6.4).



Figure 6.4. At a dyeing and printing factory, an Indian agent conducts a final inspection of one container of fabric before it is loaded onto a truck. The destination of this fabric was India.

Out of necessity, this minimum-buying volume was set because any lower quantity would not be cost effective for an export deal to be processed.[55] These

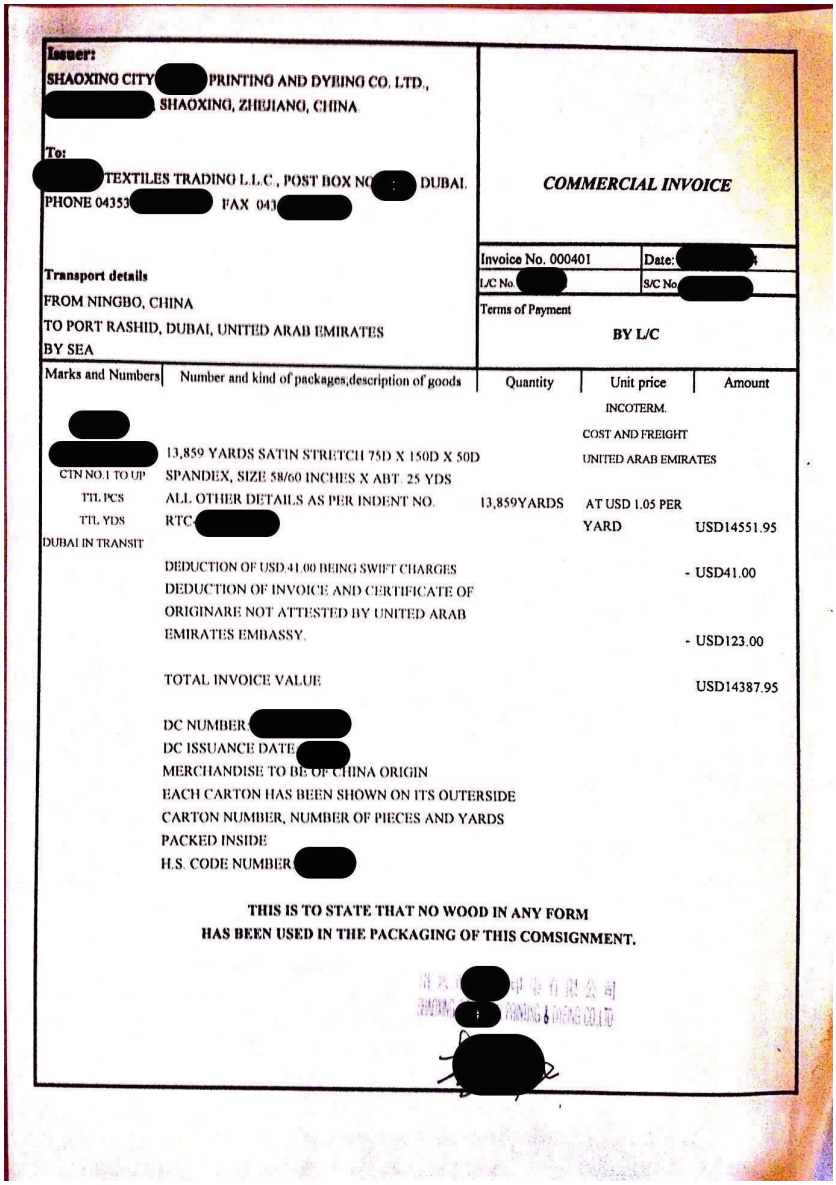
[55] Whilst an order's quantity was large, in most cases the profit margin of the supply side could still be very low, sometimes as low as one RMB, or even less, per metre. As the production and processing of each metre of fabric cost approximately 10 RMB or a little more, it made sense for Chinese suppliers to quickly sell a massive amount of fabric, which is a common sales tactic in Keqiao known as 'running for quantity' (*pao ling*); it was even more ideal for the suppliers to sell fabric in multiple deals with the same buyer over a short period of time.

‘small’ deals, if successfully completed, were likely to be followed by larger deals. Xiao Yang found out that Indian agents and their overseas buyers seemed to take the first deal only as a litmus test to check whether the chosen supplier was reliable and capable of selling the fabric they wanted. However, any of these ‘testing’ export orders would be perceived as large by novices like Xiao Yang.

Whilst Xiao Yang understood that the buying side tended to trust more established and experienced salespersons such as Luo Guo, the unfair treatment in using the company’s manufacture facilities as Xiao Yang reiterated, also played a crucial factor in barring novices from this lucrative export market. As he described it, Liu Zong’s factory and warehouse, which was the supply base for Dragon Co. Ltd., did not have a clear queuing system in managing its tight production and processing schedule. That meant it was not always ‘first come, first served,’ and jumping the queue could happen, so it was unavoidable that salespersons sometimes had to fight with each other in using those facilities. Novice salespersons, like Xiao Yang, were doomed to lose in this fight. Xiao Yang told me:

> My seniors could always place some big orders. It gave them good reputations in the factory. That’s why they could always make the factory people listen to them. The factory would do as what my seniors requested in terms of colour and the overall quality of the fabrics … and it would be finished on time. That’s the privilege (*tequan*) that new salespersons like us could not enjoy. Once my seniors placed a big order, the small orders placed by us were forced to give way to it … it doesn’t matter … even we booked it first. My seniors could always jump the queue. And our small orders would be delayed for a long time … and the factory wouldn’t tell you about the delay until the last minute … In this case, how could you make your customers trust you if your factory did things like that?

As such, the inflow of large orders (see Figure 6.5) through the veteran salespersons was bad news for Xiao Yang, whose limited control over his minuscule orders could be affected adversely. According to Xiao Yang, the situation was the worst when the company took in the largest number of export deals, which was in late spring, the peak season when Indian agents consistently brought winter-fabric export orders into Keqiao's market. Xiao Yang was glad that by spring 2012 he had already left Dragon Co. Ltd., as the large number of Indian agents in Keqiao would only bring an even dimmer prospect as a struggling salesperson. It is no wonder that Xiao Yang told me that 'Indians' orders are not for me' when I asked him why he did not approach them for trading opportunities in Keqiao.



Issuer:
SHAOXING CITY [redacted] PRINTING AND DYEING CO. LTD.,
[redacted] SHAOXING, ZHEJIANG, CHINA

To:
[redacted] TEXTILES TRADING L.L.C., POST BOX NO [redacted] DUBAI.
PHONE 04353[redacted] FAX 043[redacted]

COMMERCIAL INVOICE

Invoice No. 000401 | Date: [redacted]
L/C No. [redacted] | S/C No. [redacted]

Transport details
FROM NINGBO, CHINA
TO PORT RASHID, DUBAI, UNITED ARAB EMIRATES
BY SEA

Terms of Payment
BY L/C

Marks and Numbers	Number and kind of packages;description of goods	Quantity	Unit price	Amount
[redacted] CTN NO.1 TO UP TTL PCS TTL YDS DUBAI IN TRANSIT	13,859 YARDS SATIN STRETCH 75D X 150D X 50D SPANDEX, SIZE 58/60 INCHES X ABT. 25 YDS ALL OTHER DETAILS AS PER INDENT NO. RTC[redacted]	13,859YARDS	INCOTERM. COST AND FREIGHT UNITED ARAB EMIRATES AT USD 1.05 PER YARD	USD14551.95
	DEDUCTION OF USD 41.00 BEING SWIFT CHARGES			- USD41.00
	DEDUCTION OF INVOICE AND CERTIFICATE OF ORIGINARE NOT ATTESTED BY UNITED ARAB EMIRATES EMBASSY.			- USD123.00
	TOTAL INVOICE VALUE			USD14387.95

DC NUMBER [redacted]
DC ISSUANCE DATE [redacted]
MERCHANDISE TO BE OF CHINA ORIGIN
EACH CARTON HAS BEEN SHOWN ON ITS OUTERSIDE
CARTON NUMBER, NUMBER OF PIECES AND YARDS
PACKED INSIDE
H.S. CODE NUMBER [redacted]

THIS IS TO STATE THAT NO WOOD IN ANY FORM HAS BEEN USED IN THE PACKAGING OF THIS COMSIGNMENT.

[redacted]

Figure 6.5. A redacted commercial invoice issued to a buyer in Dubai by a Chinese trading company in Keqiao. This is an example of large export order of cheap fabrics placed through an Indian agent. It was valued at US$14,387.95 for a 13,859-yard (i.e. 12,672.67 metres) that exactly fit into one container. Reprinted with informant's permission.

The ubiquitous presence of Indians in Keqiao might appear to have been a curse to Xiao Yang's fledging career, but it was certainly not the case for Song Yun, whom I first met at an Indian trading company in March 2010. At that time, we were both waiting to meet the same Indian agent, who was late by more than

one hour. It was only Song Yun's second month of working at Dragon Co. Ltd., but that Indian agent had already given him an export order. Afterward, I found out that was a remarkable achievement, and I never heard of any other case in which an Indian agent placed an order with a new salesperson. Throughout his tenure at Dragon Co. Ltd., Song Yun continued to receive sizeable deals from Indian agents, and he had also diversified into the domestic market. From these early successes, Song Yun was thus emboldened to start his own business after having worked at Dragon Co. Ltd. for less than two years. In short, Song Yun had experienced a rather smooth, and exceptionally quick, transition from being employed to being self-employed.

Xiao Yang believed that he could never have the kind of success Song Yun achieved. First, Xiao Yang admitted that Song Yun 'was smarter than him,' and that Song Yun learned the ropes of fabric trading (e.g. How to get buyers' trust) quicker than any other novice salesperson. More importantly, Xiao Yang recognized that Song Yun's success had much to do with his own and in-law family backgrounds, which gave him perfect connections to start an impressive career in Keqiao. Song Yun's own family were mostly in the business of tea trading in his hometown of Taizhou, plus he had recently married into the Liu family, who were all in the fabric sectors in Keqiao. In contrast, Xiao Yang lamented that he was stuck with his poor peasant background, which was usually looked down upon in Keqiao.

Feeling from the outset that he had no chance of becoming another Song Yun, Xiao Yang had hoped to emulate the pathway of veteran salesperson Luo Guo, who had started without a family connection to the Liu's, yet had became highly successful at Dragon Co. Ltd. Unfortunately, Xiao Yang never had the opportunity to ask Luo Guo for advice, despite the eagerness to learn from him. Luo Guo, as all three novice salespersons learnt, would not tell them anything about himself or his work. Therefore, although he closely observed Luo Guo for nearly one-half year, Xiao Yang never found out how he actually operated in the business.

Disillusioned and jaded, Xiao Yang concluded that his future was outside of fabrics, Indian agents, and Keqiao. A few weeks after he quit Dragon Co. Ltd. in March 2012, Xiao Yang accepted a job offer to work as a medical equipment salesperson in Changsha, Hunan Province. In other words, he was no longer dreaming of becoming a successful salesperson or his own boss in the fabric trading industry; his bitter experience with Dragon Co. Ltd. told him that both were unattainable goals.

What I learnt about Dragon Co. Ltd. and Xiao Yang, however, could not account for how veteran salespersons such as Luo Guo could steer themselves to success in Keqiao, even though they might not have strong personal connections with their employers. For this, I had to interview or engage in conversations with other veteran salespersons. They, like Luo Guo, held top sales records in their

companies and had done a substantial number of export deals with Indian agents. From them I found that the export value-added tax (VAT) rebate (*chukou tuishui*) policy[56] in Keqiao, which I discuss below, was the key not only to explain the success of these veteran salespersons in general, but also, and more importantly, the causal mechanism of their normal business exchange with Indian agents in particular.

6.5 China's Export Rebate and Its Local Manifestation

Before exploring such dynamic relationships among Chinese salespersons and Indian agents, a brief introduction of the export rebate policy is needed.

First introduced as a part of the major tax reform in 1994, namely the 'Golden Tax Project' (*Jinshui Gongcheng*) (Chang 2009: 209), the rebate policy has played a decisive role in catalysing the robust growth of export-related sectors in many parts of China (Cui 2003: 339–341), particularly in the eastern regions where Keqiao is located (Chen and Ding 2010). By and large, it has been regarded as a state-led effort to sustain the strong momentum of rapid economic growth, with a profound contribution to the export economy and China's GDP growth: as much as 16 per cent, on average, according to Justin Li Yifu, the former chief economist at the World Bank (Cui 2003: 347–348). In Keqiao, the prevalence of the rebate scheme can be easily found in the official statistics of the local

[56] The official name of the policy is *Chukou Huowu Tui (Mian) Shui Guanli Banfa* (Measures for the Management of Export Tax Rebate [Exemption] for Export Goods). It was first introduced in 1994, and was annotated as National Taxation Law (*Guo Shui Fa*) 1994, no. 31. Since then, it has been slightly amended several times.

economy; for example, in 2010 the county distributed an export rebate totalling 6.1 billion RMB, which surpassed its total taxation income by 5.6 billion RMB (Shaoxingxian Difangzhi Bianzuan Weiyuanhui 2011: 135). In a regressive analysis on the basis of recent export figures, Chen and Ding (2010: 75–76) postulate that every 1 per cent increase in the rebate rate would lead to an export growth of 14.45 per cent in Keqiao, thereby drawing the conclusion that the local fabric sectors are extremely sensitive to policy change in this regard.

Despite several adjustments of the rebate rate, the policy has thus far remained rather consistent in its implementation and straightforward for its users to follow. That is to say, under this policy, China-based enterprises could claim in 2012 a one-time export rebate as high as 17 per cent for many fabric items in Keqiao. China's tax authorities said the claimants or their representatives had to: (1) be authorized with import and export rights (*Jinchukou Yewuquan*), and (2) submit their primary and original VAT invoices (*fapiao*), custom manifesto, and foreign exchange records (Hashimzade et al., 2010: 11).

The first condition, as shown in Chapter 2, is easily met by Chinese enterprises, as long as they pay their annual licence fees on time (it is slightly more difficult for foreign enterprises to do the same in China). Additionally, intermediary services, which help non-export companies process export orders, is readily available in Keqiao.

Fulfilment of the second condition, however, is much more sophisticated in practice, because it necessitates a series of encounters, negotiations, conflicts, and resolutions among Chinese salespersons and Indian agents. In the following, I will unfold this complexity through an examination of the stories and quotes of some of the veteran salespersons I met.

6.6 Dos and Don'ts of Export Sales

To begin, I talked at considerable length with Deng Yuan, a veteran salesperson in his late thirties, on how he conducted a deal through an Indian agent. He gave the following example of an export deal introduced by an Indian agent to the Chinese trading company where Deng Yuan worked. The buyer, also an Indian, was based in Dubai, and he commissioned the agent to look for 100,000 metres of fabric on his behalf. After a few rounds of negotiations through Deng Yuan's mediation, the trading company agreed to sell that volume of fabric at 15 RMB per metre, with freight, insurance, and other documentation costs inclusive in this price. It was presumed that the Indian buyer, not the Chinese trading company, would pay a fixed commission to the agent's overseas account, given the status of the agent's company in China as a Representative Office. A Representative Office is not authorized to do any local business; in theory, it could only be a 'representative' of its mother company in China, and supposedly never a local enterprise running a profitable business within China.

One of the contracting formalities of this transaction, however, was to fabricate the 100,000-metre deal at 21 RMB per metre, which was six RMB per metre more expensive than the actual unit price. This fabricated version was submitted to the State Administration of Taxation (SAT; *Guojia Shuiwu Zongju*), China's highest tax authority. The fabrication enabled the trading company to cheat substantially more VAT rebate from the deal.

Figure 6.6 illustrates how the export order was overinvoiced intentionally. In Path A, which would have been the honest version of reporting the deal, the trading company would receive 2.4 RMB (i.e. [15 RMB × 16 per cent]) rebate from the SAT for every metre sold, contributing to an income of 240,000 RMB (i.e. [2.4 RMB per meter × 100,000 metre]). In Path B, which was the fabricated version, the trading company received an extra 0.96 RMB per metre (i.e. [3.36 RMB - 2.4 RMB]) from the rebate scheme. In turn, the trading company earned 40 per cent more rebate, amounting to 96,000 RMB. This amount did not include the cost of soliciting the extra invoices, which, as Deng Yuan told me, did not cost much. He also told me, ‘[E]ven if we lose money from the [export] deal, it doesn’t matter, as long as we can still make money from the export rebate.'

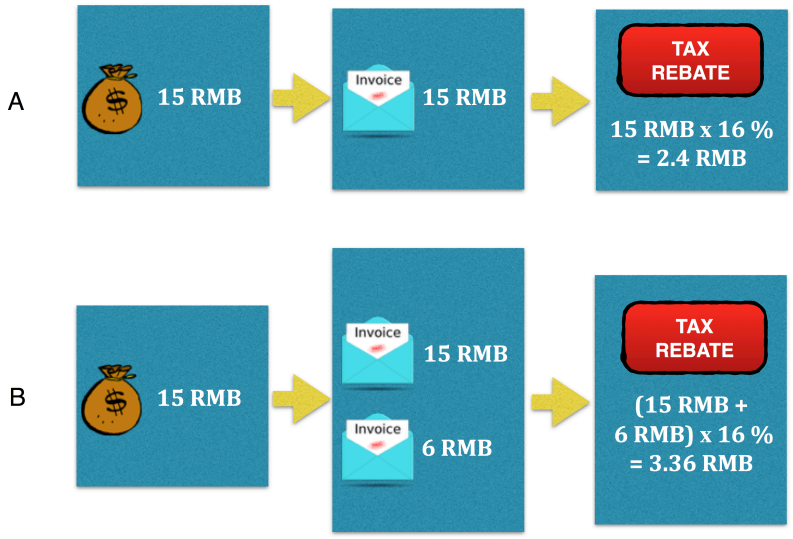


Figure 6.6. Path A was the legitimate way to claim the export rebate; Path B was the fabricated sale price and resulting VAT rebates.
Source: Author's fieldwork.

In one sense, this scheme could be understood as a simple case of tax fraud committed by the Indian agent and Chinese trading company, and there certainly was a risk of being caught by the SAT, which proclaims zero tolerance on any abuse of the export rebate scheme. However, such risk was perceived as negligible by Deng Yuan, as 'nothing would happen' (*meishide*) because he saw it as too minor to be found out, with little chance of being caught or fined.[57] He described it, as did many other salespersons, as 'hitting the edge ball' (*dachabiaoqiu*), which, in the context of fabric exports, refers to a business strategy of working around the edges of taxation laws and regulations in order to

[57] It conforms to the finding of Hashimzade and colleagues (2010) as a common perception and a logical business decision, thanks to the convex penalty structure in which a relatively small tax fraud, even if discovered, would not be punished harshly.

escape attention from the SAT.[58] In short, the supply side skilfully gamed the export rebate system in a self-refrained way because they believed the SAT was not paying attention at all. Deng Yuan went on to add: 'They [the tax authorities] would only come to you if you do some very crazy things, say like selling an empty container to cheat export rebate … In my view, it's not only crazy, but also very silly! Of course then you'll be caught! We won't do any ridiculous (*lipu*) thing like this, as we don't want to get into any trouble. We won't do things over the limit (*buhui taiguofen*).'

In all of our conversations, Deng Yuan never clearly explained how he defined such limits. Considering his careful measures in overinvoicing, however, it is clear that he took it as practical wisdom and knew exactly how to avoid certain risks while making the highest interest on case-by-case basis. First and foremost, he was cautious in the collection of VAT invoices (*shouji fapiao*) and made sure that they were valid. SAT only considers the collected invoices as valid for the rebate scheme if: (1) the printed value matches the overstated value, and (2) the invoice category is textile products. Deng Yuan pointed out that he checked these two criteria carefully whenever applying for export rebate, given the SAT can easily spot such inconsistencies in its computerized tracking system.

To Deng Yuan, that meant collecting invoices at the face value of 600,000 RMB (i.e. six RMB per metre × 100,000 metres) in the category of 'raw

[58] See Li (2012: 207) for a detailed definition of 'hitting the edge ball' in her ethnographic study of transnational migration brokers in China.

materials' (*yuanliao*). There are two reasons for the preference for raw material invoices. The first is because this invoice category is general and broad. In Keqiao, most fabric products, which are semifinished, could be put under this overarching invoice category and still be accepted by the SAT. The second reason, and the more important one, is because of the cheap cost of raw materials: compared with other types of industrial textiles, the VAT paid for textile raw materials is the lowest, at only 4 per cent of sales value. Thus, invoices for textile raw materials could leverage additional lucrative income, as much as 12 per cent of the pump-up export value (i.e. 16 per cent for the rebate rate but VAT paid at 4 per cent).

According to the SAT, only 'Manufacture Enterprises' (*Shengchan Qiye*), such as factories, can issue raw material invoices. Deng Yuan, whose workplace, like all other trading companies, was registered as an 'Export Enterprise' (*Waimao Qiye*), could thus only collect raw material invoices through a third party (Hashimzade et al. 2010). For Deng Yuan, there were two ways to solicit invoices. The first option, readily available but not necessarily safe, was to buy them from an invoice vendor. Whilst invoice sales is a shadow economy, many people in Keqiao, be they in the trading sectors or not, seemed to know very well from where or whom to buy different kinds of invoices. For example, a local taxi driver, told me: 'They [invoice vendors] are everywhere in China!' This driver went so far as to give me some numbers to call.

6.6.1 To Buy or Not to Buy?

In the New International Trade Zone, this kind of statement is by no means a hyperbole. Numerous handbills, posters, and business cards that advertise invoice sales usable for export rebates were distributed to offices everyday. More often than not, facsimiles, which contained the sales information of various categories of invoices, were sent from unknown numbers to offices as well (see Figure 6.7). Texts and e-mails with similar messages were also sent. Not surprisingly, none of my Chinese informants ever solicited raw material invoices through this means, as they found it too difficult to judge its credibility (see Chang 2009: 209). More often than not, they relied on personal connections with local factories that could supply valid raw material invoices.

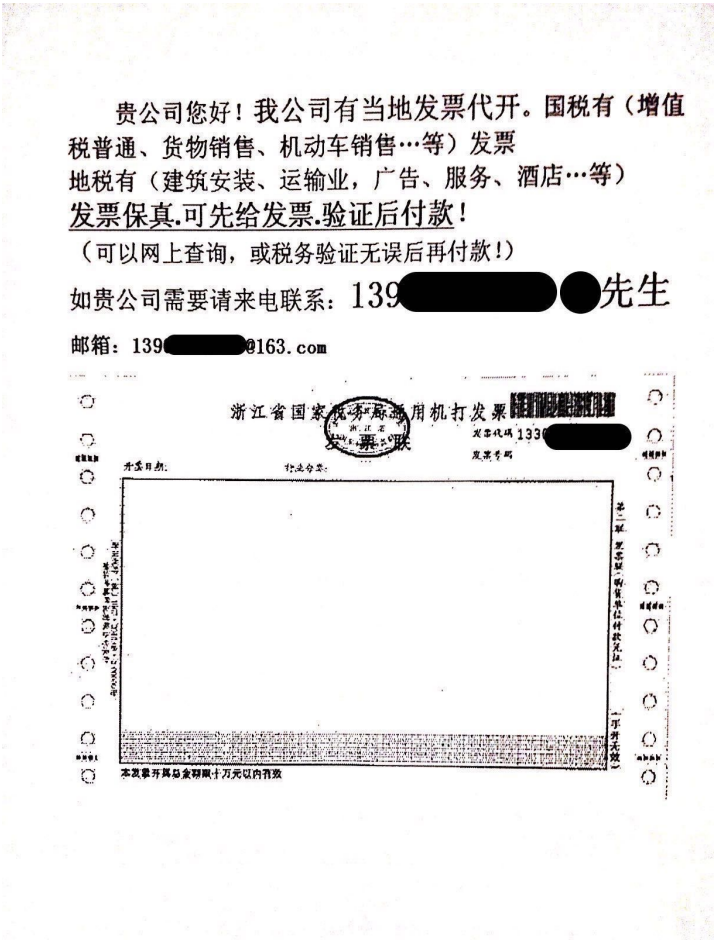


Figure 6.7. A cold-call facsimile advertising the sale of VAT invoices, with a sample copy of a VAT invoice sold by an invoice vendor.

One informant revealed that she only collected and used invoices issued in or near Keqiao, as she could then personally check the source that printed the invoices; she only trusted the invoices she saw printed in fully operating factories filled with machines and raw materials such as pigments and fibres. Deng Yuan shared a similar opinion that only invoices with verifiable sources should be used. He elaborated the danger of doing otherwise:

> If you don't know the origin of the invoices, then never use it. Some invoice vendors just register some fake companies and then print lots of useless invoices.

> That means they don't produce any goods in real, but only print invoices out of nothing. So if you use these invoices [to apply for export rebate], you'd certainly be 'game over' (*wandan*) … because the government could easily find out. Just one click on their computer, the government could already trace the sources of those invoices with no production output.

Deng Yuan also preferred to collect raw material invoices from local factories with which he or the trading company where he worked was well connected because it was cheaper and more reliable. Given that this option hinged on having personal connections with the owners of the factories, it might or might not involve an immediate transaction. In the latter case, which was more usual, it entailed having no contract. This naturally tended to create business alliances as well as close and long-term working relationships. Deng Yuan told me that he maintained several strong links with big factories. In particular, he preferred to collect the extra invoices directly from the factory where he placed the order, which allowed him to carry out this task in the easiest way possible. Deng Yuan explained there was a strong incentive for a factory to sell such invoices:

> Of course, we can directly buy invoices from the factory. But, for me, it would be even better if we can create another business opportunity together. Yes, that's true, the factory always has a surplus of invoices [to be sold] because they usually sell noninvoiced fabrics in the domestic market. But for a single export order, there is another thing we can do as well. For me, I'd persuade them to ramp up the production of a larger quantity [of fabrics] … to reduce the overall production cost of the order. For instance, if the export order is originally 10,000-metre, I'd tell the factory that 15,000-metre or more should be produced instead. That is because the unit production cost for 10,000-metre was eight RMB per metre, but 15,000-metre could be usually lowered to 7.5 RMB per metre! And then there would be 5,000-metre invoices to be used too!

In Keqiao, those 5,000 metres became what people called ‘surplus fabrics’ (*lingtou bu*), the noninvoiced overproduction that could be sold at a concession rate in the domestic market. As Deng Yuan explained:

> Sometimes the factory might want to sell *lingtou bu* by themselves, say, like put it on sale in their wholesale outlet. They can sell it with or without invoices. If their customer wants to buy it with invoices, there are always ways for them to find invoices elsewhere. When the factory does not think they can sell the surplus fabrics, I can always connect them with some of my good friends and let my friends buy it at a good price. I’ve some good contacts with the household garment factories in the nearby village area. Because all these factories are family-run underground workshops (*dixia gongchang*), they are able to buy a large amount of fabrics and not ask for the invoice. Then, I can also take some commission from those garment factories.

Nonetheless, in Deng Yuan’s 100,000-metre deal, no surplus fabric was produced because he did not need to collect extra invoices. His boss had already found all the needed invoices to match the pump-up sales value, something his boss had rarely done before. Deng Yuan did not think his boss had suddenly become a control freak, but because this export order was so large, it seemed too big for his trading company. As Deng Yuan understood, it was no wonder that his boss was anxious to be more involved. Although Deng Yuan explained his boss’s actions as quite exceptional, he also reminded me that his boss had the final say of how a deal should be done: ‘He [the boss] is the one paying for the invoices and everything. Of course he can decide how thing should go according to his mind!’

6.6.2 Companies’ Accountants and Account Books

What echoes and further explains Deng Yuan’s statement, as I learnt from other Chinese salespersons, is that company owners play a gatekeeping role in the two

final steps in securing rebates. These steps can be described as: (1) double-checking invoices performed by a company's accountants (*kuaiji*), and (2) right-balancing a company's financial statements (*pingzhang*) through informal value transfer. It is true that salespersons can always find invoices through their own connections, and thus negotiate deals for their own business interests. However, in carrying out Steps 1 and 2, company owners can confidently keep their salespersons under their control.

For Step 1 in Keqiao, it was common for the owner of a Chinese trading company to enforce a policy that all invoices, no matter the collector, must be checked by a qualified accountant prior to submission to any official authority, including the SAT. Such a company policy is primarily to assure that submitted invoices will be accepted, thanks to the oversight of the accountants. Even though veteran salespersons might consider their rich experiences in collecting invoices and see this policy as redundant, many company owners nonetheless strictly applied this policy to all employees. Owners found it necessarily to do so because this both allowed them to reexamine the validity of invoices and, more importantly, to keep track of all on-going business in their companies. Accountants in these companies, who were responsible for bookkeeping and auditing financial records, had to fully grasp the details of all transactions, especially those that were overinvoiced. Otherwise, it would be difficult for them to 'rationalize' audit reports; that is, they had to ensure report numbers and details were the same as those appearing on each of the earlier rebate applications,

especially given that such reports were submitted to the taxation authorities annually. Considering that accountants are beholden only to their company's owners, it is not surprising that some salespersons felt that their bosses did some surveillance via the accountants.

Step 2 is related to a specific administrative requirement in claiming export rebates. That is, before starting the rebate process, the SAT must receive the complete financial statement showing the export buyer already fully paid for the order. In other words, right after a deal is completed, the claimant must submit to the SAT a record of 'selling,' with the overstated amount of money being transferred from overseas to the company's bank account in China. On most occasions, the international payment records were created via transnational self-financing circulation; that is, to use an offshore account in transferring the correct amount of money into a company's account in China. It was not unusual for trading company owners in Keqiao to use other people identities (e.g. that of their relatives) to operate several offshore accounts in Hong Kong and other countries. Those needing to first transfer money from China into these offshore accounts could easily do so through shadow banking (*dixiaqianzhuang*), which provided informal value transfer to evade currency control in China. During my fieldwork, I was told that there were many different ways to access such shadow banking services in Keqiao, with the most popular one being through money laundering agents in Macau (see, e.g. 'Macau's Gambling Industry: A Window on China.' 2011). Given that company owners financed money circulation, there was no

doubt that they, rather than their salespersons, had a say on how much value should be collected on the invoices in the first place.

6.7 Sharing Rebates with Everyone

One might think the benefits of export rebate would go into the pockets of trading company owners, who were the financiers of producing goods, buying invoices, and circulating money in the process. There seemed to be no guarantee that salespersons, let alone agents, would get a share. However, that was not what I found in Keqiao. During my fieldwork, I ran into many cases where owners shared some rebates with their sales team and, through mediations of these salespersons, with Indian agents, too. Especially for veteran salespersons, their contribution on finding reliable supplies of invoices was well recognized and reflected in the higher salaries and various bonus schemes offered by their companies. While the scale of rebate sharing varied, there was one notable example that the portion given to agents and salespersons could be quite large; one Chinese salesperson and her Indian agent had, in total, received one-third of the rebates in an export deal. When asked how this could occur, Deng Yuan explained:

> Like many bosses here, my boss was just a peasant before. He did not have any education, was in extreme poverty, and went into business at a very early age. It might be the reason why he's always obsessive about money, money, and money! But you really can't blame them on that. To run a company, you need to spend a lot of money first. To see money keep flowing out but not going in, of course, makes you feel very nervous all the time. That's why he needs us. To do business with Indian [agents and their buyers], you need a great deal of patience. You also need to know the way they do business. You need to know how to balance everyone's interest. In business, winner-take-all will never work. A business can

> only be a business when all parties earn something from it. Only after that can a business relationship be built up healthily. My job is to help my boss to understand all this.

He explained that his company's owner, reluctantly, would share part of the rebates with him and the Indian agents. If the company owner refused, Deng Yuan emphasized, 'the deals will become very difficult to be completed!' It was obvious that the personal linkages between Deng Yuan and the Indian agents were even closer than those between his employer and the buyers. Undoubtedly, such linkages ensured Deng Yuan's participation in the deal-making process, thereby further strengthening his position, and thus his agents' positions, in the share of rebates. Another veteran salesperson, who used to deal with Indian agents specializing in the Middle Eastern market, told me: 'They [Indian agents] would only trust us [the senior salespersons]. They wouldn't trust the trading companies and the factories. Never. They would only trust us. So if I leave this company today, they'd stop placing any order to it tomorrow, because they'd immediately turn to place order to my new company.' All in all, as Deng Yuan and this salesperson explained,[59] their employers could not but subscribe to a fair rebate-sharing scheme, given that the salespersons and agents could otherwise divert their buyers to place orders elsewhere.

With the intention of reaping their own rewards from the rebates, Indian agents, as it was widely believed in Keqiao, always acted as both troublemakers

[59] This can be reflected by what had happened at Dragon Co. Ltd.: Luo Guo, the most productive salesperson, drafted away his frequent buyers, agents, and subagents when he left the company.

and problem solvers so as to direct pressure as they saw fit. As one Chinese salesperson told me, many Indian agents managed to coax money out of his employer:

> Most deals, especially the large quantity but [also] the low-cost ones, are paid by [Indian] agents, not [the] buyers. We've never received any direct payment from buyers. So whenever there is a payment problem, we'll first talk to the agents. The reason that the buyers would not pay us directly is because they are evading tax payments in Dubai or any other destination countries. Give you an example. We sell the fabric to a buyer at US$100. The buyer will first pay the money to the agent, with half of it being paid on the business contract and the other half through cash payment. So the first half of it is legal, but the second half isn't. The buyer does that because they want to save the tax of US$50 payment in their country.

Taking control of their buyers' money in this way meant the agents could, for their own advantage, make timely tactical troubles for the supply side in terms of payments. This often included the deliberate delay of the final payment by launching quality complaints on the fabric, usually on the eve of the payment deadline and without their buyers knowing about it. Such complaints came only after the fabric had been produced. This action was intended to make the people in the trading companies and factories anxious and, therefore, they would quickly give in considering they had already invested a considerable amount of time and money in the production phase. They did not want the deal to get stuck at this point. It should also be noted that by the time any fabric was produced, the trading companies often had already collected the invoices needed to overreport the export volume. All these invoices would expire within a year. If the deal was dragged on longer than that or eventually fell apart, the supply side would suffer a

double loss on both the cost of collecting the invoices and on the income from the rebate.

Needless to say, neither the owners of trading companies nor other investors in the production of fabrics would want anything like this to happen. Some companies simply adopted a cut-off policy, meaning they never did any business with Indian agents. Other companies took preventive measures that targeted Indians agents exclusively, ordering their salespersons to be extremely cautious when dealing with this group of agents. One popular measure was to accept no verbal agreement in any deal. Another was to require a salesperson to use precise wording on sales contracts, ensuring that agents could not easily make a fuss over them. Ironically, such preciseness simultaneously compromised the vague language needed on contracts because an item description on a contract had to be ambiguous enough to fit in the ‘raw material’ invoice category. As previously explained, this was an essential part of the informal economy for claiming overinvoiced rebates.

Additionally, trading companies had to face the harsh reality that the quality of any fabric would inevitably be worse than as promised on the contract, due all too often to the short production time and low investment into it. Mostly operating on the bespoke sales model, factories inevitably had to rush into massive production within a very limited period of time. It rendered quality control nearly impossible. As one salesperson put it: ‘It’s like a gamble. This time

maybe I win, but next time maybe I lose. Whether the fabrics would have quality problems or not, it depends on your luck.' Therefore, the finished products would suffer some quality problems. The question was whether these problems were negligibly small or discernibly large, even if most of those fabrics were still sellable in the low-end consumer markets, especially those specialized by Indian agents in Keqiao. In this sense, the completion of a deal depended on whether an agent convinced his or her buyer to accept such goods, thereby having an end in sight.

For the agents, it was pointless to spoil deals and their business relationships on the supply side, given that only with a completed deal could they earn a share from others' export rebates. It was out of this pragmatic consideration for rebate money, which was the main source of agents' extra income, that agents would complain to the Chinese trading companies at least two months after completion of a deal. Agents, especially those sufficiently meticulous to identify faults in the goods, would file a complaint and expect it to be resolved quickly, given that Chinese trading companies could not wait too long to be paid. Salespersons understood that these agents did it to signal they simply wanted more money from the Chinese trading companies, the major beneficiaries in the export rebate system.

Given that compensation was supposed to be made quickly and informally, it is no surprise that its form was diverse. Compensation included, but was not

limited to, paying an agent's office or apartment rent for a year, writing reference letters in support of an agent's Chinese visa application or renewal, or helping change their American dollars into Chinese yuan at a concession rate. Such kinds of appeasement, which cost no more than a few thousand dollars per deal, were seen as both affordable and necessary, especially in contrast to the anxiety caused by the possible cancelation of the whole deal, which could lead to a loss of up to tens of thousands of dollars. This thinking is well captured in the following words of two salespersons:

> Salesperson A:
>
> Now it's a very difficult time for Indians [who work as agents] in Keqiao […] their earnings in China are also diminishing. If you don't let them earn anything, they'll become unreasonably picky at the closing time of the order and not let you sleep well! You have to understand this. We know too well that they [Indian agents] actually would not ask for too much. They're just asking for a little bit more money to solve the problem … It's like to say … Indians like to eat sweets a lot. You give them a bit of sweet, say like a few thousand dollars, then they become very satisfied. So I don't think it's cheating, although other people might think like that. I'd say … paying a bit to them and then letting them help you solve the problem. Why not?

> Salespersons B:
>
> It's not like doing business with [South] Koreans and Taiwanese [who were also agents] here … these people will eat you from head to tail if they are going to cheat you! They ask for high-quality fabrics but only pay very little money. So we never accept their orders. And many Koreans just trade with their home country's people or the Chinese-Koreans, as they also run warehouses and factories here. I prefer to do business with [agents who are] Indians rather than other people. The thing is … you're cheated by them for just a small bit, but then you'll do a big business overall. Once you grasp how to deal with them, you know you can control the way it goes. I think Indians are very superstitious (*mixin*). After they make the first good deal with you, they'll continue to place orders with you.

6.8 Conclusion

This chapter provided the most vivid example of strategic counteraction in the thesis. That is, Indian agents and Chinese salespersons, who may suffer much pressure from their buyers and suppliers respectively before a deal is initiated, could turn them into more powerful players near the completion of the deal. That is because, being able to influence the outcome of export rebate, they could finally take more control of how the deal should be completed

Chapter 7: Conclusion

Through detailed ethnographic descriptions of the fabric supply market, trading companies, and personal and business relationships within local settings in Keqiao, this thesis has examined various types of everyday encounters between the local and transnational players. Through these encounters, Indians in Keqiao, especially those who are currently in a fragile position in the fabric trade, can strategically counteract the hegemonic forces in both the local and global markets.

This concluding chapter will present a summary of the key findings of the thesis. It demonstrates that the ethnographic findings of each previous chapter, taken together, provide an integrated understanding of strategic counteractions. This understanding will inform crucial insights not only for Indians in Keqiao, but also for those who are similarly marginalized in other global trading economies. Thus, this study of these strategic counteractions in Keqiao offers valuable lessons of self-empowerment in the face of today's global capitalism and polarization, as this polarization has become increasingly disruptive to the equilibrium of many local economies.

7.1 Summary of Findings and Arguments

Before detailing this integrative understanding, I first summarize the main findings of each chapter:

Chapter 2 demonstrated how Keqiao became a node of worldwide fabric supplies. The remarkable growth of its fabric wholesale sectors, which is obvious from the economic achievement of the Old Marketplace, is a result of intensive interplay between fabric materiality, government supports, and local entrepreneurial dynamics. An overall dynamic is created by Chinese suppliers' collaborative business strategies, which generate a flexible, versatile, diverse, and, above all, cheap fabric supply in the Old Marketplace. The operation of this wholesale economy is based on these suppliers' everyday encounters with potential buyers or their purchasing agents, given that every detail of fabric production, such as colour and softness, are negotiable. Local dynamics have turned the Old Marketplace into a unique place where one can find all kinds of fabric at its cheapest price. This is why Indian agents and subagents have flocked to Keqiao: most of their overseas clientele specialize in the Global South's low-end textile markets.

Chapter 3 discussed the local situation of Indian agents after they arrive in Keqiao. It showed that these agents run their trading offices in the New International Trade Zone (NITZ), a new commercial area that is not near the Old Marketplace, which is the wholesale centre of fabric supplies in which suitors, agents, and subagents can search fabrics in the most efficient way. Established Indian agents do not find the distance a problem, as they rarely visit the Old Marketplace after their business is successful, though they did frequently visit when they first arrived in Keqiao. In contrast, novice Indian agents and subagents

are deeply frustrated by having to visit the Old Marketplace for vital business information that is unattainable in the NITZ. It is not only because it is some distance from their offices in NITZ to the Old Marketplace, but also, and more importantly, because the Old Marketplace outlet shopkeepers are not willing to deal with them. The Chinese shopkeepers fear the fierce ways most Indians bargain, and do not trust that any shared pricing information will be kept private from Chinese agents. Both of these actions are considered disruptive to the domestic market order. Being denied access to fabric and pricing knowledge is a serious challenge for these novice Indian agents and subagents, who have no priori knowledge or networks in the fabric trade and are desperate for a local breakthrough in their search for cheap fabric.

Starting with Chapter 4, this thesis began to explore the strategic counteractions among the Indian agents and subagents, particularly those in marginalized positions in the workplace and the fabric market. Chapter 4 first discussed the exploitation faced by novice subagents in the Indian trading companies, which is common in Keqiao. It then discussed success stories of self-enterprising subagents, which are equally common in Keqiao. The success stories highlight the ability of some these subagents to create improved agency within the hierarchical employment structure. However, they also show that success takes time to achieve because it entails accumulating local business knowledge and networks. Success, if it comes, may only be enabled by strategically working with specific local actors, such as Chinese clerks and salespersons.

Chapter 5 highlighted that Indian agents and subagents, who are strikingly male, can gain such local business knowledge and networks through their friendships and romantic relationships with Chinese female clerks. These Chinese female clerks provide significant assistance to these agents and subagents without asking for anything in return, because these clerks neither seek to start an agency nor find a business career in Keqiao appealing. In their positions as clerks, they are privy to fabric information that crosses their desks. They are more likely willing to, for example, share useful market information with their Indian friends and help them collect fabric samples from the Old Marketplace. This has commonly led to breakthroughs in deal-making for novice agents and subagents who are desperate for local support within the fabric trade.

Chapter 6 discussed the importance of China's export rebate system, which when used to their advantage, helps Indian agents and subagents collaborate with Chinese salespersons to counteract the hegemonizing trends in global fabric trade. It highlights a productive collaboration between these Indian agents and subagents and Chinese salespersons, who are intermediary players for overseas buyers and Chinese suppliers, respectively. This collaboration, which arises out of the informal economy of China's export rebate, turns agents and salespersons to key stakeholders in the last stage of export deal-making. This collaboration not only empowers Indian agents and Chinese salespersons to take

more control of their intermediary practices, but it also enables them to squeeze significantly more profit from the sales process.

These chapters on the ethnography of the fabric trade together tell of the continuous progress of Indians subagents' intermediary careers in Keqiao. This career always begins with a bleak, grim, and slow start. Yet after a period of struggle, some of it significant, a subagent usually learns how to work in the local business environment and, thus, build up trading networks. This allows Indian intermediary players to navigate strategically among the buyers, employers, and suppliers in the fabric trade. By strategically obstructing or channelling export deal-making, these intermediary players can generate notable extra profits from the informal economy of China's export rebate. Hence, instead of earning meagre commissions from the suppliers and buyers, with added profits from rebates, Indian intermediary players may carve out self-enterprising strategies in Keqiao that empower their upward mobility in the fabric trade.

Upward mobility, a concept that concerns achieving stepwise escalations in social status and wealth by working hard, is now all but an impossibility for an increasing number of people, especially those living in the Global South ('Free Exchange: Revisiting Ricardo: Why Globalisation Is Not Reducing Inequality Within Developing Countries?.' 2014). Globalization rarely accelerates one's upward mobility. Instead, most parts of the world witness an escalating process of polarization between and within countries. Those who are already marginalized

may find it increasingly difficult to protest their social *im*mobility, that is, they cannot achieve any significant advancement in living standards or wealth accumulation, even if they work hard. As such, for ordinary people and policy-makers on the weaker side of globalization, it is important to devise new forms of individual tactics, collective resistance, and development plans. Although these counteracting strategies may not trigger a macrostructural change, it is reasonable to hope that they would at least defer the polarization effects on local societies.

Because of the interconnected issues of globalization and polarization, this thesis cannot possibly offer suggestions on how to terminate the process of polarization worldwide. What this thesis has found, though, through my fieldwork, is that a limited number of Indian intermediary players in Keqiao achieved substantial upward mobility, though, of course, the measurement of success is subjective. Nonetheless, there was only one case where a novice Indian intermediary player completely left fabric trading (and China), whilst the others continue to cling to the hope of upward mobility. From an anthropological standpoint, my informants taught me unique lessons, just as other subjects have taught anthropologists, on globalization, polarization, and local responses. One of the most important lessons is how Indian agents and subagents developed strategic counteractions to global hegemonic forces by simultaneously stabilizing the deal-making process and facilitating the growth of other local industrial sectors. This, in turn, benefitted their suppliers and buyers, both locally and

globally. In this sense, these Indian intermediary players are middlemen in the global economy who trigger other productive forms of local exchanges.

7.2 The Lessons Learned

One of the lessons learned through my fieldwork in the local fabric trade in Keqiao is that observing the microscopic operations of strategic counteractions is not only a specific case study of people's agency within an existing power structure. More importantly, it offers a lens to discover how people can use their collective agency to construct an economic system that is not only locally sustainable, but can also survive the uncertainties and polarization in global capitalism. As such, this led to additional lessons: (1) transnational intermediary players can achieve upward mobility if they formulate creative and innovative strategies that are relevant to their local setting; (2) anthropologists need to pay attention to the nuanced strategies developed by local grassroots players, as it may infer how ordinary people can offset the global economic hegemony; and (3) local policymakers, in order to write effective policies, need to learn from how their local economy is run by its players.

These lessons can be shown in the complex articulation between the domestic production economy and the international fabric trade in Keqiao (see Figure 7.1). At the beginning, overseas buyers prefer to commission Indian agents and subagents in sourcing fabrics from Keqiao because they can buy it at cheaper prices. On the whole, the buyers pay less to earn more, which lessens the financial

pressure caused by uncertainty in the global economy. The suppressed cost, however, is not necessarily borne by the Chinese suppliers, because while bargaining with the suppliers, Indian agents and subagents inform the degree to which the fabric quality can be compromised, thereby making it possible for suppliers to reduce their production costs. It is likely that the buyers will accept the goods, even if the quality is not as good as stated on the sales contract, given that they are operating their businesses in the low-end global markets. These issues of quality, which often go slightly astray, can be a leverage point for agents and subagents to request that the suppliers pay them extra to help convince the buyers to accept the goods, mostly through paying compensation to the buyers. Extra payments are derived from the informal economy of export rebates rather than from suppliers' profits. Additionally, suppliers or salespersons can buy altered invoices from the local production sectors. This invoice economy motivates the manufacturers to produce more fabric than on the original order, which is doubly profitable not only because they can sell these invoices to the exporters, but also because they can sell the extra fabric on the domestic textile market, and often at a more competitive price than the invoiced fabric. In short, the strategic counteractions are *not* counterproductive to the local and global economies.

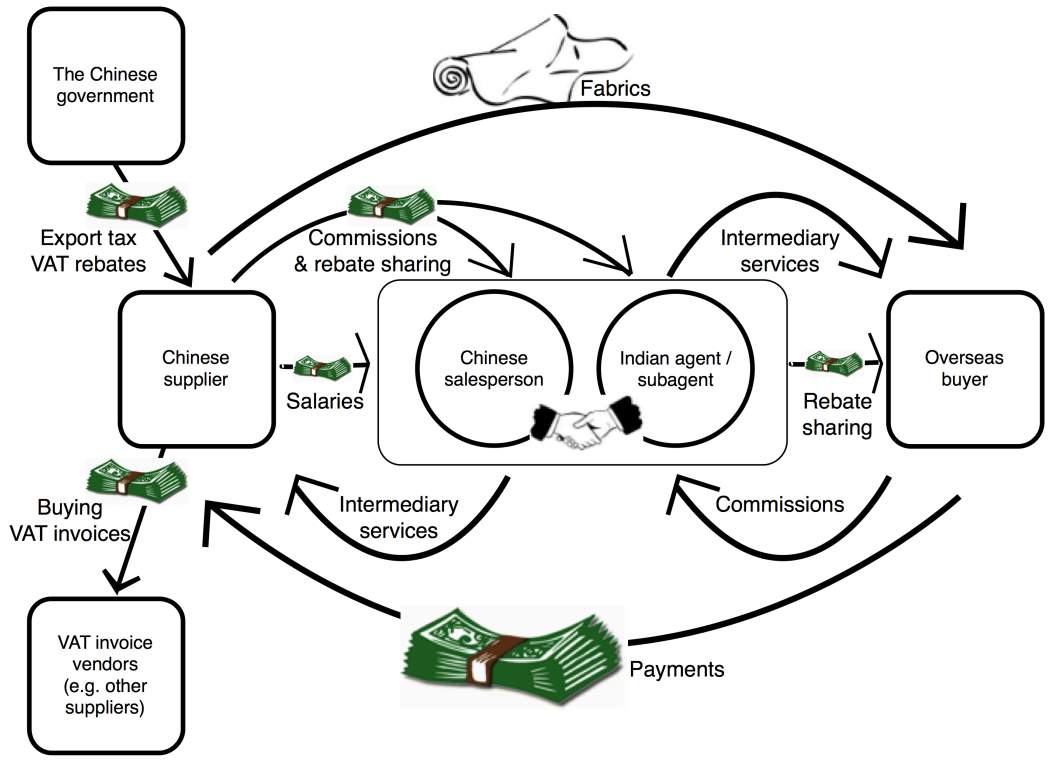


Figure 7.1. The operation of strategic counteractions in the intermediary fabric trade in Keqiao.

This is how all stakeholders built their own business exchange values in a cycle, which seemed to be a stable mode of creating a collaborative fabric trading economy, despite the global economic uncertainties at the time of my fieldwork. These uncertainties included: (1) the continuous depreciations of the US dollar, the most-traded currency in the global fabric trade; (2) the rapid appreciation of RMB, which increased fabric production costs in China; (3) the all-time low of Indian rupees to the US dollar, because the rupee was the currency most of my Indian informants had saved in their homeland (‘India Rupee Hits All-time US

Dollar Low' 2011). Hence, while outside observers saw Keqiao, in particular, and China, in general, as suffering from the decrease in both demand and supply in exports at the time of my fieldwork ('China Export and Import Growth Slows in July.' 2012), many Indian and Chinese intermediary players told me rather different opinions on this. For example, one Indian told me that he could wait out his success because living in Keqiao is not very expensive and he could use strategies to counterbalance uncertain economic factors. He told me, 'Today I can't eat chicken. Then I just eat rice. Tomorrow I may be able to eat chicken again. I can wait!' Another of my informants, whom I paraphrase here, said that while the market might be slow, it will not stop forever; as long as people need to wear cloths, there would be business opportunities.

China's Central Government, as well as Keqiao's local government, understandably holds a rather pessimistic view on the on-going global uncertainties, as these governments are concerned more about the survival of the local manufacture sectors than the intermediary economy. As the Chinese central state might consider it, China's private economy, including the fabric industries in Keqiao, is too large to fall, because, excluding the unregulated sectors, the private economy accounts for nearly half of China's GDP, with nearly 30 million businesses and over 200 million people in the workforce (Tsai 2007: 3). After the global economic crisis in 2008, Keqiao's local government pumped public money into the factories that would otherwise have gone bankrupt. In October 2008, Chen Yueliang, then–deputy major of Shaoxing City, stated that the local

government was responsible for guiding the economic restructuring projects, and the bailouts of factories 'should be accelerated, regardless of cost' (Hu 2008). With the central government adhering to this same line, the interventions made at this local level were couched in the name of stabilizing society. Not long after these bailouts, Keqiao's local government spent 3.48 million RMB to re-nationalize the China Light Textile City (*zhongguo qingfangcheng*), the management company of most buildings in the Old Marketplace, in attempt to enhance the local government's reins on the fabric trading economy ('Shaoxing zhongguoqingfangcheng gaizhi 6 nian zhongguiguoyou' 2008). At the same time, the local government was also more active in promoting the upgrades and transformations (*zhuanxing shengji*) in the local fabric sectors, emphasizing Keqiao's fabric trading economy could only survive if local enterprises moved up the global value chain. That is, the local government wanted local enterprises to increase investments in research and development in production industries, stop producing low-end products, and develop their own production brand names (ibid. 2008). My interviews with local government officials revealed that they preferred if the large-scale enterprises survived and thrived for the future of Keqiao. As such, it was unlikely that the government would bailout any small- and medium-sized enterprises, which continued to produce low-end value for the local economy. All of the state's new interventions, however, seemed to contradict the existing intermediary economy, which had already formed its own internal logic of business value production. The findings of my thesis illustrate that local governments, before making such interventions, should have an in-depth

understanding of how strategic counteractions work in their local economy. It is my belief that a state-led transformative approach may only result in concentrating wealth in a small number of well-off companies while destroying any existing market dynamics in the brisk low-end global trade.

This lesson here may be complicated by interrelated local and state government policymaking and local and global economics, but it is a lesson that must be learned for the benefit of most people in today's globalizing world. And this lesson can be started in a local economy, such as the fabric trade in Keqiao. As such, my informants taught me something important.

All in all, what my arguments are different from the global connectionist approach, as I critiqued in this thesis's introduction, is that an anthropological understanding, if it is to bring timely insights to grassroots players and local policymakers, needs to pay more attention to the strategies developed by local businesses for their economic survival, especially those business that have thus far effectively counteracted the global economic hegemony.

Bibliography

Aiyar, Pallavi. 2008. *Smoke and Mirrors: An Experience of China*. New Delhi: Fourth Estate.

Anand, Subhadra. 1996. *National Integration of Sindhis*. New Delhi: Vikas.

Appadurai, Arjun. 1996. *Modernity at Large: Cultural Dimensions of Globalization*. Minneapolis: University of Minnesota Press.

Azmed, Shamel. 2014. 'Labour in Global Production Networks: Workers in the Qualifying Industrial Zones (QIZs) of Egypt and Jordan.' *Global Networks* 14(4): 1470–2266.

Bakunina, Alina. 2013. 'Religious Orientations in the Lives of Indian Entrepreneurs: Three Cases Studies.' *Modern Asian Studies* 47(1): 85–108.

Banerjee, Mukulika and Daniel Miller. 2008. *The Sari*. Oxford: Berg.

Barboza, David. 2013. 'Coin of Realm in China Graft: Phony Receipts.' *New York Times*, 3 August. At <http://www.nytimes.com/2013/08/04/business/global/coin-of-realm-in-china-graft-phony-receipts.html?_r=0> (Accessed 5 August 2013).

Baurmann, Gerd. 1996. *Contesting Culture: Discourses of Identity in Multi-Ethnic London*. Cambridge: Cambridge University Press.

Bayly, Christopher. 1983. *Rulers, Townsmen and Bazaars: North Indian Society in the Age of British Expansion, 1780-1870*. Cambridge: Cambridge University Press.

Bestor, Theodore. 2000. ‘How Sushi Went Global.’ *Foreign Policy* 121: 54–63.

—— 2004. *Tsukiji: The Fish Market at the Center of the World*. Berkeley: University of California Press.

Bhavnani, Nandita. 2014. *The Making of Exile: Sindhi Hindus and the Partition of India*. New Delhi: Tranquebar Press.

Biradavolu, Monica Rao. 2008. *Indian Entrepreneurs in Silicon Valley: The Making of a Transnational Techno-Capitalist Class.* New York: Cambria Press.

Black, Rachel E. 2012. *Porta Palazzo: The Anthropology of an Italian Market*. Philadelphia: University of Pennsylvania Press.

Bonacich, Edna. 1973. ‘A Theory of Middleman Minorities.’ *American Sociological Review* 38(5): 583–594.

Buck, Tobias. 2014. ‘A Better Business Model.’ *Financial Times*, 19 June, 9.

Butollo, Florian. 2013. ‘Moving Beyond Cheap Labour? Industrial and Social Upgrading in the Garment and LED Industries of the Pearl River Delta.’ *Journal of Current Chinese Affairs* 42 (4): 139–170.

Carrier, Neil. 2007. *Kenyan Khat: The Social Life of a Stimulant*. Leiden: Brill.

Çaliskan, Koray. 2010. *Market Threads: How Cotton Farmers and Traders Create a Global Commodity*. Princeton: Princeton University Press.

Chalfin, Brenda. 2004. *Shea Butter Republic: State Power, Global Markets, and the Making of an Indigenous Commodity*. London: Routledge.

Chang, Ho-jun. 2009. *Markets Hidden on Thoroughfares: The Social Construction of Economic Informality/Illegality in Beijing's Zhongguancun, China*. PhD Thesis, Department of Anthropology, Columbia University.

Chen, Chungen and Zhisheng Ding. 2010. "Kaifang Jingji Tiaojian Xia Shaoxingxian Fangzhi Chanyejiqun Mianlin De Wenti [Challenges in Shaoxing County's Textile Clusters as an Open Economy]. *Beifang Jingji* [Northern Economy] 10: 75–76.

Cheuk, Ka-Kin. 2013a. 'China.' In Knut A. Jacobsen, ed., *Brill's Encyclopedia of Hinduism*, Volume 5, 212–216. Leiden: Brill.

—— 2013b. 'Yindu Funu Zai Zhongguoqingfangcheng De Shequ Wangluo Tanxi' [A Study of Social Networks among the Indian Women in the Chinese Light Textile City]. *Guangxi Minzudaxue Xuebao - Zhexue Shehuikexue Ban* [Journal of Guangxi University for Nationalities–Philosophy and Social Science Edition] 35: 43–50.

—— 2014. 'Shaoxing, Shaoxing, and Indians.' *Hong Kong Discovery* 84: 56–62.

'China Export and Import Growth Slows Sharply in July.' 2012. *BBC NEWS*. 8 August. At <http://www.bbc.co.uk/news/business-19204617> (Accessed 11 August 2012).

'China to Raise Tax Rebate for Garment, Textile Exports.' 2009. *China Daily*. 4 February. <http://www.chinadaily.com.cn/business/2009-02/04/content_7446141.htm> (Accessed 4 June 2014).

Chong, Kimberly. 2012. *The Work of Financialisation: An Ethnography of a Global Management Consultancy in Post-Mao China*. Unpublished PhD Thesis, Department of Anthropology, London School of Economics and Political Science.

Coburn, Noah. 2011. *Bazaar Politics: Power and Pottery in an Afghan Market Town*. Stanford: Stanford University Press.

Cohen, Abner. 1971. 'Cultural Strategies in the Organization of Trading Diaspora.' In Claude Meillassoux, ed., *The Development of Indigenous Trade and Markets in West Africa*, 266–281. London: Oxford University Press.

Cole, James H. 1980. 'The Shaoxing Connection: A Vertical Administrative Clique in Late Qing China.' *Modern China*, 6(3): 317–326.

—— 1986. *Shaohsing: Competition and Cooperation in Nineteenth-Century China*. Tucson: University of Arizona Press.

Collins, P. H., 1986. 'Learning From the Outsider Within: The Sociological Significance of Black Feminist Thought.' *Social Problems* 33(6), S14–S32.

Cui, Zhiyuan. 2003. 'China's Export Tax Rebate Policy.' *China: An International Journal* 1(2): 339–349.

Curtin, Philip D. 1984. *Cross-Cultural Trade in World History*. Cambridge: Cambridge University Press.

Duthie, Laurie. 2005. ‘White Collars with Chinese Characteristics: Global Capitalism and the Formation of a Social Identity.’ *Anthropology of Work Review* XXVI(3): 1–12.

Editorial Board of China Business Laws and Regulations. 2008. China *Business Laws and Regulations: The Complete Reference*. Saratoga, CA: Javvin Press.

Faier, Lieba, and Lisa Rofel. 2014. ‘Ethnographies of Encounter.’ *Annual Review of Anthropology* 43(1): 363–377.

Falzon, Mark-Anthony. 2004. *Cosmopolitan Connections: The Sindhi Diaspora, 1860–2000*. Leiden: Brill.

Farrer, James. 2008. ‘From “Passports” to “Joint Ventures”: Intermarriage Between Chinese Nationals and Western Expatriates Residing in Shanghai.’ *Asian Studies Review* 32(1): 7–29.

Favero, Paolo. 2005. *India Dreams: Cultural Identity Among Young Middle Class Men in New Delhi*. Stockholm: Almqvist & Wiksell International & Department of Social Anthropology, Stockholm University.

—— 2010. ‘Bazaar.’ In Ray Hutchison, ed., *Encyclopedia of Urban Studies,* 61–65. London: SAGE.

Ferguson, James. 2006. *Global Shadows: Africa in the Neoliberal World Order*. Durham: Duke University Press.

‘Free Exchange: Revisiting Ricardo: Why Globalisation Is Not Reducing Inequality Within Developing Countries?.’ 2014. *The Economist,* 25 October, p 68.

Gardner, Andrew M. 2010. *City of Strangers: Gulf Migration and the Indian Community in Bahrain*. Ithaca: Cornell University Press.

Geertz, Clifford. 1963. *Agricultural Involution: The Processes of Ecological Change in Indonesia*. Berkeley: University of Berkeley Press.

—— 1978. ‘The Bazaar Economy: Information and Search in Peasant Marketing.’ *American Economic Review* 68(2): 28–32.

—— 1979. ‘Suq: the Bazaar Economy of Sefrou.’ In Clifford Geertz, Hildred Geertz and Lawrence Rosen, eds., *Meaning and Order in Moroccan Society*, 123 - 314. Cambridge: Cambridge University Press.

Graeber, David. 2011. *Debt: The First 5000 Years*. New York: Melville House.

—— 2013. ‘Culture as Creative Refusal.’ *Cambridge Anthropology* 31(2): 1–19.

Guanqiushangyejingdian (Global Business). 2013. ‘Zai Yiwu De Yinduren: Cong GOD dao DOG’ [Indians in Yiwu: From GOD to DOG]. May Edition. Online Magazine at <http://finance.ifeng.com/news/region/20130509/8012148.shtml> (Accessed 10 November 2013).

Harris, Tina. 2013. *Geographical Diversions: Tibetan Trade, Global Transactions*. Athens: University of Georgia Press.

Hashimzade, Nigar, Zhanyi Huang, and Gareth D. Myles. 2010. ‘Tax Fraud by Firms and Optimal Auditing.’ *International Review of Law and Economics* 30(1): 10–17.

Holmes, Douglas, and George Marcus. 2006. ‘Fast Capitalism: Para-Ethnography and the Rise of the Symbolic Analyst.’ In Melissa S. Fisher and Greg Downey, eds., *Frontiers of Capital: Ethnographic Reflections on the New Economy*, 33–56. Durham: Duke University Press.

Hu, S., 2008a. 'Textile Firms Getting Government Bailouts.' *Caijing Magazine*. 22 October. At <http://english.caijing.com.cn/2008-10-22/110029934.html> (Accessed 21 October 2013).

Hulme, Alison. 2015. *On the Commodity Trail: The Journey of a Bargain Store Product from East to West*. London: Bloomsbury.

‘India Rupee Hits All-Time US Dollar Low.’ 2011. *BBC News*. 22 November. At <http://www.bbc.co.uk/news/world-asia-15832048> (Accessed 11 December 2012).

Jin, Bozhong, Guochang Jiang and Xiangqun Xu. 2004. ‘Lauding Renkou de Tedian Jiqi Fazhan Qushi - Yi Zhejiangsheng Shaoxingxian Weili [Characteristics and Development of Floating Populations: A Case of Shaoxing County in Zhejiang Province].’ *Sixiang Zhanxian* [Thinking] 30(6): 50 - 54.

Kamrava, Mehran and Zahra Babar, eds. 2012. *Migrant Labour in the Persian Gulf*. London: Hurst.

Kathiravelu, Laavanya. 2015. ‘The ‘Other’ NRIs: The Case of Low-Wage Indian Migrants in the Gulf.’ In Jayati Bhattacharya and Coonoor Kripalani, eds., *Indian and Chinese Immigrant Communities: Comparative Perspectives*, 257–280. Singapore: Anthem Press.

Keshodkar, Akbar. 2014. ‘Who Needs China When You Have Dubai? The Role of Networks and the Engagement of Zanzibaris in Transnational Indian Ocean Trade.’ *Urban Anthropology and Studies of Cultural Systems and World Economic Development* 43: 105–142.

Kjaerulff, Jens, ed. 2015. *Flexible Capitalism: Exchange and Ambiguity at Work*. Oxford: Berghahn.

Laidlaw, James. 1995. *Riches and Renunciation: Religion, Economy, and Society among the Jains*. Oxford: Clarendon Press.

Le Bail, Hélène. 2009. ‘Foreign Migration to China's City-Markets: The Case of African Merchants.’ Institut Français des Relations Internationales (Ifri) Asie Vision Working Paper No. 19. At <http://www.ifri.org/files/centre_asie/AV19_LeBail_GB.pdf> (Accessed 1 September 2014).

Lee, Ching Kwan. 2007. *Against the Law: Labor Protests in China's Rustbelt and Sunbelt*. Berkeley: University of California Press.

Li, Minghuan. 2012. ‘Playing Edge Ball: Transnational Migration Brokerage in China.’ In Barak Kalir and Malini Sur, eds., *Transnational Flows and*

Permissive Polities: Ethnographies of Human Mobilities in Asia, 207–228. Amsterdam: Amsterdam University Press.

Lim, Linda. 1983. 'Capitalism, Imperialism and Patriarchy: The Dilemma of Third World Women Workers in Multinational Factories.' In June Nash and María Patricia Fernández-Kelly, eds., *Women, Men, and the International Division of Labor*, 70–92. Albany: State University of New York Press.

Liu, Jieyu. 2013. 'White-collar Workers: Gender and Class Politics in an Urban Organization.' In Minglu Chen and David S.G. Goodman, eds., *Middle Class China: Identity and Behaviour*, 75–89. Cheltenham: Edward Elgar.

Lou, Yuhua. 2007. Chanye Shengji Beijingxia Difangshanghui Fazhan Yanjiu - Yi Zhongguo Qingfangcheng Shanghuiqun Weili [A Study of Local Merchant Associations in the Background of Industrial Upgrading: A Case of Chinese Light Textile City]. Master of Public Administration Thesis, East China Normal University, Shanghai.

Lu, Shi. 2015. 'Domestic and International Challenges for the Textile Industry in Shaoxing (Zhejiang).' *China Perspectives* 3: 13–23.

'Macau's Gambling Industry: A Window on China.' 2011. *The Economist*. 10 December. At <http://www.economist.com/node/21541417> (Accessed 1 August 2015).

Marchal, Roland. 2005. 'Dubai: Global City and Transnational Hub.' In Madawi Al-Rasheed, ed., *Transnational Connections and the Arab Gulf*, 93–110. London: Routledge.

Marcus, George. 1995. ‘Ethnography in/of the World System: the Emergence of Multi-Sited Ethnography.’ *Annual Review of Anthropology* 24: 547–565.

Markovits, Claude. 2000. *The Global World of Indian Merchants, 1750-1947: Traders of Sind From Bukhara to Panama*. Cambridge: Cambridge University Press.

Marsden, Magnus. 2015. ‘From Kabul to Kiev: Afghan Trading Networks across the Former Soviet Union.’ *Modern Asian Studies* 49(4): 1010–1048.

Marsden, Magnus, and Diana Ibañez-Tirado. 2015. ‘Repertoires of Family Life and the Anchoring of Afghan Trading Networks in Ukraine.’ *History and Anthropology* 26(2): 145–164.

Mathews, Gordon. 2011. *Ghetto at the Center of the World: Chungking Mansions, Hong Kong*. Chicago: University of Chicago Press.

Miao, Shuixiang, ed. 2011. *A Survey of Shaoxing County: One of China Top 10 Counties*. Shaoxing: The External Publicity Office of Chinese Communist Party Shaoxing County Committee Press Office of People’s Government of Shaoxing County.

Morris, Mike. 2006. ‘China’s Dominance of Global Clothing and Textiles: Is Preferential Trade Access an Answer for Sub-Saharan Africa?’ *IDS Bulletins* 37(1): 89–97.

Norris, Lucy. 2010. *Recycling Indian Clothing: Global Contexts of Reuse and Value*. Bloomington: Indiana University Press.

Ogasawara, Yuko. 1998. *Office Ladies and Salaried Men: Power, Gender, and Work in Japanese Companies*. Berkeley: University of California Press.

Ong, Aihwa. 1999. *Flexible Citizenship: The Cultural Logics of Transnationality*. Durham: Duke University Press.

Organizing Committee of China Keqiao International Textile Expo. 2011. *Keqiao Textile International Textile Expo*. Shaoxing: The author.

Oxfam Hong Kong. 2004. 'Turning the Garment Industry Inside Out: Purchasing Practices and Workers' Lives.' Oxfam Hong Kong Briefing Paper, April. At <http://www.oxfam.org.hk/content/98/content_3562en.pdf> (Accessed 1 September 2015).

Oxfam International. 2004. 'Stitched Up: How Rich-Country Protectionism in Textiles and Clothing Trades Prevents Poverty Alleviation'. Oxfam Briefing Paper 60, April. At <https://www.oxfam.org/sites/www.oxfam.org/files/stitched.pdf> (Accessed 1 September 2015).

Pieke, Frank. 1995. 'Bureaucracy, Friends, and Money: The Growth of Capital Socialism in China.' *Comparative Studies in Society and History* 37(3): 494–518.

Pliez, Olivier. 2012. 'Following the New Silk Road Between Yiwu and Cairo.' In Gordon Mathews, Carlos Alba Vega, and Gustavo Lins Ribeiro, eds., *Globalization From Below: The World's Other Economy*, 19–35. London: Routledge.

Pun, Ngai. 2005. *Made in China: Women Factory Workers in a Global Workplace*. Durham: Duke University Press.

Pun, Ngai, and Jenny Chan. 2012. 'Global Capital, the State, and Chinese Workers: The Foxconn Experience .' *Modern China* 38(4): 383–410.

Ramley, Steven W. 2008. *Hindu, Sufi, or Sikh: Contested Practices and Identifications of Sindhi Hindus in India and Beyond*. New York: Palgrave MacMillan.

Rankin, Katharine Neilson. 2004. *The Cultural Politics of Markets: Economic Liberalization and Social Change in Nepal*. London: Pluto.

Ratanapruck, Prista. 2008. *Market and Monastery: Manangi Trade Diasporas in South and Southeast Asia.* Unpublished PhD Thesis, Department of Anthropology, Harvard University.

Rivoli, Pietra. 2009. *The Travels of a T-Shirt in the Global Economy: An Economist Examines the Markets, Power, and Politics of World Trade*. New Jersey: John Wiley & Sons.

Rupp, Jürg. 2010. 'Country Profile: China Textile City.' *Textile World Asia*, April/June Issue. Online Magazine at <http://www.textileworldasia.com/Articles/2010/May/April_May_June_issue/China_Textile_City.html> (Accessed 10 October 2011).

Ryan, Jan. 2003. *Chinese Women and the Global Village: An Australian Site*. Queensland: University of Queensland Press.

Schiller, Nina Glick, and Ayse Caglar, eds. 2010. *Locating Migration: Rescaling Cities and Migrants*. Ithaca: Cornell University Press.

Sevastopulo, Demetri. 2013. 'China's Manufacturers Feel the Squeeze as Costs Rise.' *Financial Times*, November 4. At <http://www.ft.com/cms/s/0/166d3e96-450a-11e3-a751-00144feabdc0.html?o=clippings/list#axzz3U0MSowwK> (Accessed 4 March 2015).

Smart, Alan, and Josephine Smart. 2008. 'Time-Space Punctuation: Hong Kong's Border Regime and Limits on Mobility.' *Pacific Affairs* 81 (2): 175–193.

Shaoxingshi Duiwaijingjimaoyi Weiyuanhui [The Foreign Economic Relations and Trade Office, Shaoxing City]. 1993. *Zhejiangsheng Shaoxingshi Duiwai Jingji Maoyizhi* [Chronicle of Shaoxing Foreign Economic Relations and Trade]. Shanghai: Zhongqui Dabaikequanshu Chubanshe [Chinese Encyclopaedia Press].

Shaoxingshi Jingji Maoyi Wenyuanhui [Economic and Trade Committee of Shaoxing City]. 2008. *Shaoxingshi Fangzhiye Tisheng Fazhan Guihua 2008 - 2012* [Planning Upgrade and Development of Textile Industry in Shaoxing City]. Shaoxing: The author.

Shaoxingxian Difangzhi Bianzuan Weiyuanhui [The Editorial Committee of Shaoxing County Gazetteers], ed. 2011. *Shaoxingxian Nianjian 2011* (Shaoxing County Year Book 2011). Beijing: Zhonghua Shuju (Zhonghua Book Company).

‘Shaoxing Zhong Cheng Yongbutuise, Shijiebushi Zhongguo Qingfangcheng 30 Nian Wenjuyige’ [Shaoxing Finally Becomes a ‘World Fabrics Market’ that Never Fades, China Light Textile City Has Ranked Number One for 30 Years]. 2009. *Wen Wei Po.* 29 September, A19.

'Shaoxing zhongguoqingfangcheng gaizhi 6 nian zhongguiguoyou' [Restructuring and Renationalizing Shaoxing’s China Light Textile City]. 2008. *Quanqiu fangzhiwang* [Global Textile Net]. At <http://www.tnc.com.cn/info/c-001006-d-115866-p1.html> (Accessed 9 September 2013).

‘Special Report: Outsourcing and Offshoring - Here, There and Everywhere.’ 2013. *The Economist*. 19 January.

Sun, Yunyao. 2010. ‘Dui Shaoxingxian Fangzhi Chanyejiqun Zhuanxingshengji De Tiaocha Yu Sikao. [A Research and Rethinking of the Upgrade and Transformation in Textile Industries Clustering in Shaoxing County]. *Zhejiang Zaixian* [Zhejiang Online], 17 May. At <http://zjnews.zjol.com.cn/05zjnews/system/2010/05/17/016611328.shtml> (Accessed on 1 September 2014).

Sung, Shih Hsiang. 2014. The Flowing Materiality of Crystal: A Global Commodity Chain of Fengshui Objects From Brazil, China to Taiwan. Unpublished PhD Thesis, Department of Anthropology, University of Pittsburgh.

Tao, Kan, and Yuhua Luo, 2011. ‘Zhongguo Qingfangcheng Shanghui Fazhan Tiaocha YanJiu’ [A Research of the Merchant Associations in the Chinese

Light Textile City]. *Shaoxing Wenli Xueyuan Xuebao* (Journal of Shaoxing University) 3: 1–6.

Tao, Kan, Yuhua Lou, and Zhen Wang. 2011. 'Difang Shanghui Zai Tuijin Chanye Zhuanxingshengji Zhongde Zuoyong Jizhi Yanjiu - Yi Zhongguo Qingfangcheng Shanghui Weili' [The Function of Local Merchant Associations in Enhancing The Industrial Transformation and Upgrade: An Example of Merchant Associations in the Chinese Light Textile City]. *Qiye Zhanlue* (Enterprise Strategy) 11: 30–33.

Tarlo, Emma. 1996. *Clothing Matters: Dress and Identity in India*. London: Hurst.

Thapan, Anita Raina. 2002. *Sindhi Diaspora in Manila, Hong Kong, and Jakarta*. Manila: Ateneo de Manila University Press.

'The Middle East's Migrant Workers: Forget About Rights.' 2013. *The Economist*. 10 August, p. 42.

Timberg, Thomas A. 1978. *The Marwaris: From Traders to Industrialists*. New Delhi: Vikas.

Tsing, Anna. 2005. *Friction: An Ethnography of Global Connection*. Princeton: Princeton University Press.

—— 2009. 'Supply Chains and the Human Condition.' *Rethinking Marxism: A Journal of Economics, Culture and Society* 21(2): 148–176.

Tsai, Kellee. 2007. *Capitalism Without Democracy: The Private Sector in Contemporary China*. Ithaca: Cornell University Press.

United Nations Conference on Trade and Development. 2013. *World Investment Report 2013: Global Value Chains: Investment and Trade for Development*. New York: United Nations.

Urry, John. 2014. *Offshoring*. Cambridge: Polity Press.

Vora, Neha. 2013. *Impossible Citizens: Dubai's Indian Diaspora*. Durham: Duke University Press.

Walsh, Andrew. 2012. *Made in Madagascar: Sapphires, Ecotourism, and the Global Bazaar*. Toronto: University of Toronto Press.

Wang, Jinmin. 2013. *Institutional Change and the Development of Industrial Clusters in China: Case Studies from the Textile and Clothing Industry*. London: World Scientific.

Wang, Ping. 2008. 'Jiedu Zhejiang: Jingji Fazhan Zhi Mi 2: Waimao Chukou Zenhfu Diyi Shi Ruhe Shixian De' [Deciphering Zhejiang: The Riddle of Economic Development 2: How to Reach the No.1 Growth in Export]. In Bao Hongjun, ed., *Jianzheng Zhejiang: Zhuliumeiti Xia De Zhejiang Gaigekaifang 1978–2008* [Witnessing Zhejiang: The Opening-up and Reform in the Mainstream Media, 1978–2008], 161–163. Hangzhou: Zhejiang University Press.

Wank, David L. 1999. *Commodifying Communism: Business, Trust, and Politics in a Chinese City*. Cambridge: Cambridge University Press.

Ward, Robin, and Richard Jenkins, eds. 1984. *Ethnic Communities in Business: Strategies for Economic Survival*. Cambridge: Cambridge University Press.

Warrier, Shrikala. 1988. ‘Marriage, Maternity, and Female Economic Activity: Gujarati Mothers in Britain.’ In Sallie Westwood and Parminder Bhachu, eds., *Enterprising Women: Ethnicity, Economy, and Gender Relations*, 132–152. London: Routledge.

Webster, Juliet. 2010. ‘Clerks, Cashiers, Customer Carers: Women’s Work in European Services.’ In Debra Howcroft and Helen Richardson, eds., *Work and Life in the Global Economy: A Gendered Analysis of Service Work*, 185–208. London: Palgrave Macmillan.

West, Matthew E. 2015. *Intellectual Property and the Knowledge Economy’s Global Division of Labor: Producing Taiwanese Green-Technology Between the United States and China.* Unpublished PhD Thesis, Department of Anthropology, Columbia University.

Wildau, Gabriel. 2014. ‘Inflated Exports Cast Doubt on Chinese Trade Outlook.’ *Financial Times*, October 29. At <http://www.ft.com/cms/s/0/3a23db72-5f2d-11e4-a882-00144feabdc0.html#axzz3HXM9iKZ3.> (Accessed 25 January 2015).

Yang, Anand A. 1999. *Bazaar India: Markets, Society, and the Colonial State in Bihar*. Berkeley: University of California Press.

Yeung, Henry Wai-chung, and Neil M. Coe. 2015. ‘Towards a Dynamic Theory of Global Production Networks.’ *Economic Geography* 91(1): 29–58.

Xiang, Biao. 2005. *Transcending Boundaries: Zhejiangcun: The Story of a Migrant Village in Beijing*. Translated by Jim Weldon. Leiden: Brill.

—— 2007. *Global 'Body Shopping': An Indian Labor System in the Information Technology Industry*. Princeton: Princeton University Press.

—— 2009. 'Tackling Global Uncertainties.' *City & Society* 21(1): 22–27.

—— 2013. 'Multi-Scalar Ethnography: An Approach for Critical Engagement with Migration and Social Change.' *Ethnography* 14(3): 282–299.

Xiao, Ming, 2008. '15 Yiyuan Zhuzi Bangzhu Hualiansanxin Duguo Weiji' [Pumping Fifteen Million RMB into Hualian Sunshine Help It to Overcome]. *Xinhuawang Zhejiang Pindao* [Zhejiang Channel, Xinhua Net]. At <http://big5.xinhuanet.com/gate/big5/zj.xinhuanet.com/business/2008-11/14/content_14924074.htm> (Accessed 21 October 2013).

Xu, Feng. 2012. *Looking for Work in Post-Socialist China: Governance, Active Job Seekers and the New Chinese Labour Market*. London: Routledge.

Xu, Zifu. 2010. 'Huobizhengcesongjin Yu Quyujingji Bodong Yanjiu' [A Research of the Strands of Dollar's Policy and the Regional Economic Upheavals]. *Zhejiang Jinrong* [Zhejiang Finance] 1, 12–14.

'Zai Yiwu De Yinduren: Cong GOD dao DOG' [Indians in Yiwu: From GOD to DOG]. 2013. *Guanqiushangyejingdian* [Global Business]. May Edition. Online Magazine at <http://finance.ifeng.com/news/region/20130509/8012148.shtml> (Accessed 10 November 2013).

Zhao, Bian. 2011. ‘China Textile City Alters Fabric of the Industry.’ *China Daily*, 18 October. At <http://www.chinadaily.com.cn/cndy/2011-10/18/content_13920968.htm> (Accessed 26 February 2012).

Zhang, Li. 2001. *Strangers in the City: Reconfigurations of Space, Power, and Social Networks Within China's Floating Population*. Stanford: Stanford University Press.

Zhao, Jianhua. 2013. *The Chinese Fashion Industry: An Ethnographic Approach*. New York: Bloomsbury Academic Press.

Zhong, Pengrong, Changsheng Zhang, and Yunyao Sun. 2005. *Jiedu Shaoxingxian* [Reading Shaoxing County]. Beijing: Jingji Ribao Chubanshe [Economic Daily Press].

Zhou, Yiting. 2004. ‘Jiedu Shaoxing: Siren Ziben Gaibian Shehui’ [Reading Shaoxing: Private Capitals Change the Society]. In Zhang Zong, ed., *2004 Nian De Zhongguo: Jueqide Zongquo Yu Shijie* [China in 2004: The Rising China and the World], 50–54. Beijing: CITIC Publishing House.