economic sociology.
perspectives and conversations

Volume 23 · Number 2 · March 2022
econsoc.mpifg.de

23.2

Note from the editor

Global markets and local cultures

Cheris Shun-ching Chan

Content

Editor
Cheris Shun-ching Chan, University of Hong Kong

Book reviews editor
Sebastian Kohl, Max Planck Institute for the Study of Societies, Cologne

Editorial board
Patrik Aspers, University of St. Gallen; Jens Beckert, Max Planck Institute for the Study of Societies, Cologne; Alevtina Guseva, Boston University; Johan Heilbron, Centre de sociologie européenne, Paris; Richard Swedberg, Cornell University, Ithaca

Toward the end of last issue's editorial note, I posed the question of "what constitutes economic sociology." In this and the next issue, I have invited contributions from some authors whose works may not be typically classified as "economic sociology," but their subject matter is definitely of great interest to economic sociologists.

The global expansion of modern capitalism has always been a central concern for sociologists across different subfields (e.g., Sassen 1991; Harvey 1995; Berger and Dore 1996). The questions about the forms of capitalism in different locales, the transnational relocation of production, the creation of global markets for an infinite variety of commodities, the prevalence of technofinance, and the management of offshore labor and capital are all core concerns of economic sociology. In this issue, we bring together a wide range of topics related to the theme of global markets and local cultures.

Glocalization – the concurrence of universalizing and particularizing processes – was highlighted early on in social theories (e.g., Giddens 1990; Robertson 1992). The role of local cultures in the globalization of modern capitalism, however, drew more attention from anthropologists than sociologists in the 1990s (e.g., Appadurai 1996; Watson 1997; Inda and Rosaldo 2002). Since the 2000s, we have seen an increasing number of empirical sociological studies of culture and globalization. In my own study of the global expansion of commercial life insurance to Asian societies, I found that local cultures play a critical role in shaping market features and trajectories (Chan 2012a; Chan 2012b). For example, in the face of the Chinese cultural taboo on the topic of premature death, transnational and domestic life insurance firms have consistently pursued different strategies across three different Chinese contexts. While the transnational firms have attempted to remove the local cultural barriers, the domestic firms accommodated local preferences by redefining life insurance in a way that could get around the cultural taboo. Consequently, the market emerged as a money management rather than a risk management market with highly localized features. This happened in the cases of mainland China and Taiwan where protectionism against transnational players was put in place. In colonial Hong Kong, the absence of competitive domestic insurance players due to a laissez-faire government resulted in a market with features similar to those in Euro-American contexts. Nonetheless, the market size in Hong Kong was unusually small due to transnational insurance firms' reluctance to accommodate local preferences (Chan 2012b). The life insurance case demonstrates dynamical negotiations between local cultures and global market forces through the market behaviors of domestic firms and transnational enterprises. It also illustrates that state actions could mediate who the dominant market players are, which then affects the extent of localization and market development.

Cheris Shun-ching Chan is associate professor of sociology at the University of Hong Kong. She received her PhD from Northwestern University and held a postdoctoral fellowship at UCLA's International Institute. She was also a fellow at the Summer Institute on Economy and Society in the Center for Advanced Study in the Behavioral Sciences at Stanford University. Her research interests include culture, economic practices, healthcare, globalization, new social movements, and Chinese societies. She is author of the award-winning book *Marketing Death: Culture and the Making of a Life Insurance Market in China* (Oxford University Press, 2012). Her writings have also appeared in the *American Journal of Sociology, British Journal of Sociology, Theory and Society, Social Psychology Quarterly, China Quarterly, Modern China, International Sociology,* and *Developing World Bioethics.* Chan is currently working on two projects. One is on the moral economy of informal payment and social networks in gaining access to hospital care in China and Taiwan, and the other is on the sociocultural implications of the social credit system in China. *cherisch@hku.hk*

The six articles that follow are all about global-local dynamics in cultural terms, and their subject matter all belongs to economic activities, ranging from shoe production and bazaars to capital offshore, filmmaking, digital finance, and microfinance.

The first contribution, "Traduttore, traditore" by Claudio Benzecry, presents to us a fascinating story about foot fitting in the global production of shoes. Deriving from his ethnographic studies of the work and lives of experts in charge of shoe design and production in Dongguan, South China, this essay examines how the "standard foot" of fit models is translated into multiple global markets through designers, technicians, and models working for the production of shoes in a specific locale. Using rich ethnographic data, Benzecry found that various actors in the production process combined ethnic stereotypes with biology to explain the variation of foot size, shape, and features of different ethnic groups. For instance, Chinese feet were seen as very different from European and American feet, and Russian feet were seen as very unique. Despite the highly standardized production at the global scale, there exists a tension between standardization (universalities) and tacit knowledge (local, ethnic particularities). Benzecry insightfully analyzes how global classifications are achieved through local imaginations of Other in the process of producing a commodity for the global markets with local variations. This essay manifests "sociological imagination" in its fullest extent by examining one of the most unnoticed and taken-for-granted social processes in shoe production at a global scale.

Along the lines of universalities and particularities, Bian Xiang's essay about the global bazaar economy in Yiwu, southeast China, most vividly displays global-local dynamics in the face-to-face channel. As Xiang describes, this economy combines global dynamics, such as dis-embedding, generalizing, and wide information sharing, with bazaar characteristics, like being embedded, local, and conducive to small players. Three major groups of actors – manufacturers, internal migrant shopkeepers, and foreign traders – engaged in information sharing, intensive negotiations, flexible adaptations, and close collaboration. Standard rules, transparent transactions, and cultural diversities are the norms of the marketplace, yet each of the three groups has their own distinct patterns of behaviors and perceptions. The size of this marketplace is impressive, as Xiang reports that there were 500,000 foreign traders annually in the mid-2010s, together with 75,000 retail shops and 200,000 small manufacturers who supply low-technology and low-price commodities. Intriguingly, this "free market" is owned by the state, and generalized trust of the market is made possible thanks to public order. Through this global bazaar, products without brands or direct marketing channels are able to reach out to the world. Xiang concludes that the global bazaar economy is constituted by multiscalar, multifaceted, and composite processes.

From global trading in China we then turn in Julia Chuang's piece to Chinese capital going offshore. Why do Chinese capital holders move their capital offshore? How do they choose destinations for investment and negotiate with brokers? What are the cultural implications manifested through these economic practices? Chuang observed that tension existed between brokers and Chinese clients, as the former complained that the latter adhered to a "Chinese mental map" when choosing capital destinations. For instance, Chinese clients displayed an overwhelming desire to invest in Manhattan-based real estate and a marked disinclination to choose former Soviet Union locations. They also preferred "fixed deposits and fixed rates" and displayed deep mistrust in financial institutions and even in brokers. Yet, Chuang perceptively noticed that while Chinese clients refused to follow brokers' advice based on western investment principles and adhered to local cultural schemas when seeking out investment products, they paradoxically embraced western-centric markers of prestige. The hierarchy of cultural symbols in which US superiority is not only reinforced and reproduced but also internalized by these Chinese capital holders through their offshoring investment.

Along the same line of Chuang's argument is Sylvia Martin's "Globalization and film locations," which documents how a cultural hierarchy is in play in global filmmaking. Hollywood as a vehicle communicating US cultural values and advertising US commodities for both domestic and international audiences has been in place for over a century. According to Martin, part of Hollywood's globalizing processes and decentralization of production in the recent decades has involved filming overseas in the quest for local authenticity to a story – what scholars termed "runaway productions." Taking Hong Kong as an example of a locale for Hollywood's global/local filming, Martin found that there is a public performance of foreign (and particularly Hollywood) privileges in the postcolonial city Hong Kong. Unsurprisingly, the privileging of foreign filmmaking was promoted by the postcolonial government. For instance, Nicole Kidman and her Australian crew members were granted an exemption by the Hong Kong government from the seven-day mandatory quarantine to film her scenes in the city in August 2021 during the COVID-19 pandemic. Another example is the production of Batman in the city that received permission from the government to close down some local businesses in the busy financial center and yet keep the city lights on throughout the night for filming. Seeing how white foreigners receive preferential treatment, domestic filmmakers in Hong Kong complained about being discriminated against by their own government. Thus, Martin's essay fascinatingly describes how a transcultural undertaking is reinforcing a cultural hierarchy through local government's desire to sell their imagery to the global audiences.

While Chuang and Martin highlight the cultural hierarchy in the global-local dynamics, the strength of local cultures can be seen in the last two contributions. Tracing global blockchain markets in local configurations, Alex Preda and colleagues made every effort to conduct field visits to Hong Kong and Shanghai in the midst of the pandemic. They found that while blockchain as a distributed digital ledger is global in nature and supposedly standardized and locality-less, its operation is indeed anchored in specific, local bodies of expertise. The expertise includes software engineers, finance specialists, legal professionals, business development experts, and so on. Taking software engineers as an example, Preda et al. observed that there are significant differences in the ways this expertise is organized in different locales. While software developers in Tokyo adopt crypto trading platforms as their predominant activities, those in Hong Kong concentrate on expertise in gaming, and those in London have significant expertise in payments, supply chain, or cybersecurity. Together with their experience of getting access to fieldwork, Preda et al.'s essay illustrates how local cultures as knowledge, perceptions, skills, and etiquettes matter in making a universal, digital-based global market.

Smitha Radhakrishnan's "Extractive masculinities" takes us to gendered for-profit microfinance activities in India. Grounded in ethnographic data, this contribution presents two important and intriguing findings. First, Indian microfinance institutions display conspicuous masculine culture. Women clients were construed as grateful but needy, benevolent but unreliable. Men were portrayed in a privileged light, and presumed to be service-oriented even when their actions were exploitative. Radhakrishnan argues that by articulating the microfinance environment in a locally relevant way in India, this environment reproduces masculine cultures of finance found around the world. She found that a US-based microfinance institution's branch office offered training adapted for the locals, yet the trainers often drew upon globalized tropes of the capable, entrepreneurial Third World woman as an "ideal image" of gendered subjectivities. This leads to Radhakrishnan's second finding; that, except for those from upper-class groups, the majority of local women did not take on the empowerment ideologies. The working-class women maintained their own meanings for their lives, refusing to conform to the US-led inoculation of ideologically decontextualized understandings of Third World femininity. This indicates microfinance institutions' unsuccessful attempts to socialize local women to embrace and internalize a particular set of global scripts.

The six contributions altogether point to the multifaceted dynamics and relations between culture and globalization. On the one hand, the global expansion of modern capitalist enterprises and products embodies the global reach of certain cultural values, ideas, and way of life that produce and reproduce a hierarchy of cultural authority in some spheres of life. On the other, resistance to cultural imperialism is in evidence and the strength of local cultures has been brought to the fore in globalizing development. At the same time, as some of the articles illustrate, the role of the state is equally, if not more, critical along with culture in shaping the global-local dynamics.

References

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

Berger, Suzanne and Ronald Dore, eds. 1996. *National Diversity and Global Capitalism*. Ithaca and London: Cornell University Press.

Chan, Cheris Shun-ching. 2012a. *Marketing Death: Culture and the Making of a Life Insurance Market in China*. New York: Oxford University Press.

Chan, Cheris Shun-ching. 2012b. "Culture, State, and Varieties of Capitalism: A Comparative Study of Life Insurance Markets in Hong Kong and Taiwan." *British Journal of Sociology* 63(1): 97–122.

Giddens, Anthony. 1990. *The Consequences of Modernity*. Stanford, CA: Stanford University Press.

Harvey, David. 1995. "Globalization in Question." *Rethinking Marxism* 8(4): 1–17.

Inda, Jonathan Xavier and Renato Rosaldo, eds. 2002. *The Anthropology of Globalization: A Reader*: Blackwell.

Robertson, Roland. 1992. *Globalization: Social Theory and Global Culture*. CA: Sage Publications.

Sassen, Saskia. 1991. *The Global City: New York, London, Tokyo*. Princeton, NJ: Princeton University Press.

Watson, James, ed. 1997. *Golden Arches East*. Stanford, CA: Stanford University Press.

Traduttore, traditore. The expert work of producing global (yet local) market classifications

Claudio Ezequiel Benzecry

Introduction

In my new book, *The Perfect Fit. Creative Work in the Global Shoe Industry* (Benzecry 2022), I study the work of repair and maintenance necessary to keep the global scale going. I do so by studying the work and lives of experts in charge of design and development of shoes for the US market. Research for this project began in 2012; I conducted five years of research in between New York City (USA), Dongguan (China), and Novo Hamburgo (Brazil), scrutinizing the friction (Tsing 2005) between expert work and cheap labor in the production of a ubiquitous commodity: shoes. Low-level commodity production is not usually thought of as a place where knowledge is produced; rather, it is studied either through a global value-chain approach or an attention to shop-floor politics. In this unexpected match between case and theory, I aim to defamiliarize the work of coordinating tacit and embodied forms of knowing.

The focus on experts (in this case Taiwanese developers, Brazilian technicians, and US designers) who all work together in Dongguan, in South China, underscores the accumulated embodied knowledge – stored in people, routines, buildings – as the epistemic culture (Knorr Cetina 1999) that makes "disposable" bodies possible. These specialized skills – we could posit – are the condition of possibility by which other "disposable" bodies become key sites of capitalist accumulation.

Ethnography for this project began in 2013 when I started "shadowing" a New York design team, visiting their offices weekly, attending some review meetings, and accompanying them on shopping trips. In some cases, I also had access to email communication between designers and their Dongguan office. My first trip to Dongguan took place in June 2014. I went there with the design team to see their development process. I returned in December 2014, and then twice a year in 2015 and 2016. I moved slowly away from the design team into the work of trading offices, sample rooms, and showrooms. I later interviewed technicians, managers, developers, and fit models as well – seventy-nine in total.

In the book I describe at length several instances of the interaction between local cultures of expertise and global markets; in this essay I want to emphasize one: the work that designers, technicians, and models perform of translating the "standard" foot of fit models into multiple markets, taking into account the perceived ethnonational variations of those markets as the horizon that orients the translation work, and the modelized ways in which this happens. In doing this, *The Perfect Fit* performs a classic ethnographic trick: it takes what has always and a priori been considered macro and inverts it, centering its explanatory power on the most micro element possible in the social sciences (i.e., embodiment), or more precisely, the right foot of a fit model. Fit models allow for the production of standardized shoes. They are an obligatory point of passage for design ideas, materials, and sketches, as well as central players in a larger infrastructure of scale-making.

Claudio Ezequiel Benzecryu is associate professor of communication studies and sociology (by courtesy) at Northwestern University. He is the author of *The Opera Fanatic: Ethnography of an Obsession* (winner of ASA 2012 Culture best book award and 2014 ASA Distinguished Book Award Honorable Mention), *The Perfect Fit. Creative Work in the Global Shoe Industry*, and the co-editor of *Social Theory Now* – all with the University of Chicago Press. He's also editor-in-chief of *Qualitative Sociology*.
claudio.benzecry@northwestern.edu

In other parts of my book, I have shown how a world was made to travel toward designers via images of other designs, products, shops, and customers. In this essay, we'll see another procedure of miniaturization in a double sense – of the comparative scope of a foot, usually the smallest female shoe size, versus the whole range of size variation in multiple locales – for making the world flat.

This results in a foot that becomes an immutable mobile (Latour 1986; Law 1986), moving from China to the US, or from the US to China, without distortion. Moreover, through the fit model's foot, we see all the translation between multiple cultural standards – sometimes across size conventions in different regions, other times according to gendered expectations – and how both sets of standards are intertwined with imputed racial and national bodily characteristics.

What's in an "American" leg?

On my first trip to Dongguan during January of 2014, I witnessed a scene that would repeat itself all throughout the four years of fieldwork, at the end of many detailing and fitting sessions: once the fit model tried on a shoe, the US designer tried it on herself too. The scene points to what happens when the standard foot is not enough. One part of the answer to that question is easily understood via participant observation, as what designers do is to bodily restore tactile knowledge: some of the key things they check for are the leather's quality and resistance, how much it will "age" and crack with use, and whether it bends if pulled. The fit model narrates these issues, but they are hard to transfer from one body to the next. The second part of the answer is more surprising, as designers explained what they are doing is to try it out on an "American" leg.

The designer will not just see how the shoe fits the foot model but will also try it on herself, to see the fit on a "US" leg like hers. Part of what explains this new trial of strength (Boltanski and Chiapello 1999) of the shoe prototype is the movement from the model's standardized foot to the designer's "American" leg and foot. Designers – as I'll show in more detail in the next section – point to the anatomical differences between US and Chinese calves, feet, leg length, and distance between knees and feet as things that need to be accounted and adjusted for. Though in most cases – when working on pumps, flats, or sandals, for instance – designers let the model be the key site for validation to happen, the belief in differences not at the foot but at the leg level inspire them to act differently when working on boots. In this trial we get to witness once again – and at a different site and moment of the process – the tension between standardization and tacit knowledge.

All the developments described are based on being able to transfer findings, techniques, and infrastructures from one kind of body to another. There is a tension in the process of standardization between the need for generalizability and the local test scenario, framed by tacit and local knowledge. So, one of the key issues as the production of a shoe progresses is how to loosen the boundary between the sample room as a laboratory and the "outside" world. The section that follows interrogates in full what happens when trying to replicate with an Other – in this case, usually a US customer – in mind. In the next few pages, I describe the kinds of translation issues that arise.

Between market, culture, and biology

Carrying out something similar to what in scientific contexts has been called a bridge study (Epstein 2007), US designers engage in translation work to imagine how a future shoe will look on an "American" foot. This kind of ethnonational conversion involves a comparison – especially at the level of the calves for boots, the main item in Fall collections – between the model's leg and foot and what they consider a typical US foot. The alleged differences intertwine cultural and biological attributes. Sometimes the differences are explained as "cultural" – in the US the prevalence of sports and of wearing fashion early on in life leads to more muscular feet; in China women have flatter feet because they don't grow up wearing heels. And sometimes differences are presented as biological, so "Chinese" models have narrower feet, wider calves, and shorter toes in the designers' descriptions.

The first time I heard of the difference between US and Chinese feet wasn't from an American designer, though; it was when, after figuring out the existence of fit models, I was interviewing Marshall, a business partner in a trading company in Dongguan. Marshall is a Taiwanese man in his mid-thirties who had studied in the US. His explanation of the distinction between US and Chinese feet was not a direct answer to a query about national variations, but rather one about how they cast women for fit modeling. He asserted that what matters the most is that customers get the foot they want – and in a company like theirs, which produces shoes for many different markets, that means having multiple fit models to suit a range of clients' needs. When asked to clarify a bit about those needs, Marshall went beyond the "wide versus skinny" foot dichotomy I was expecting:

You know the feet of different ethnicities is very different, the Chinese foot is very different from European, American or Russians. For instance, the Russians – at that time I learned later they were producing shoes for a Russian brand – they have a very special foot, so if they found someone like that, they always want to see the same one, you know, the bone is more protruding here, something like that. And lots from Europe and the US, because they do a lot of sports when they are young, so more muscle on the foot, not as boney, you know. A lot of Chinese, they don't do a lot of sports or activities, so the foot is very thin, and also very wide. Yeah, every country is very different … It's not only the perfect foot, sometimes the foot is big; in China, you see, the girls are short so they have small feet, it's sometimes you can hire someone with a big foot, you want to do that because you don't have 7.5 or 8 or 9.

This procedure works by anticipating a different idealized future (Beckert 2013; Schutz 1959): that of the peculiarities of a niche market, with companies orienting themselves accordingly, by having a clear understanding of what the fit model's actual foot can perform in relationship to the feet of most of the customers in the markets they are producing for. In doing so, designers, technicians, production managers, and even fit models work with an implicit stereotypical theory of cultural difference. In this local theory, culture, biology, and markets become intimately intertwined, explaining why a particular kind of model is better for a particular region of the world (or the opposite).

Looking into how markets are matched with models, and especially at what explains the difference among feet, is yet another important window for observing how the global is both imagined and produced concurrently, as much at the infrastructural level as it is when designers scout for ideas and trends to translate into designs. For instance, Chinese feet are described as flat – in comparison to the US – and thinner, and the explanations given for these sometimes have to do with biology, as when accounting for shorter toes and rounder calves, and sometimes with culture, as when explaining how some of these characteristics are a consequence of not growing up wearing heels, or of weighing less because of diet and having not engaged in competitive sports at an early age. The peculiarities of US women who play soccer – something much less prevalent in the rest of the world – are usually highlighted when explaining this phenomenon.

The variability in ethnonationality when aiming to replicate through sympathetic magic (Taussig 1993) a distant Other's feet is presented as an advantage of South Brazilian trading companies vis-à-vis their Chinese counterparts. Brazilian feet in Novo Hamburgo are portrayed as less limited than Chinese feet, since, to quote Christian, a developer for the higher-end US market, "South Brazil has all kind of girls; we have Brazilians, Germans, and Italians" – he refers here to the large Italian, Portuguese, and German migrations to the area – "so we can serve better multiple markets."

There is a tension between homogeneity and heterogeneity in all of these accounts, with internal homogeneity complicating the possibilities for replication, and with a variability in which market is presented as more or less homogeneous depending much less on the country's actual ethnic composition than on the volume of product they produce for that region. In that respect, Brazil appeared in most of my interviews as divided between north and south – not at the level of consumers, but of models – as women in the north have to walk more, and because of the temperature usually wear sandals and open-toe shoes, which results in them having both stronger calves and flatter, wider feet. Europe, on the other hand, when named appeared not as divided into multiple national markets but rather as a unit when it came to replicating feet in Dongguan. Regardless of whether a fit model works for a Spanish company, for the Dutch market, or for a British department store, the name under which standards are subsumed when the model is asked who she works for is always the same: "Europe." While an order from a US client will include anywhere from 30,000 to 200,000 pairs, orders from European buyers can be as small as 2,500.

In this intimate relationship between bodies as they are imagined and invoked and bodies as they are part of an actual infrastructure, we manage to see the cultural work of producing classifications that are presented as abstract and universal. This nevertheless generates certain features that are incorporated into artifacts that will then be circulated back to consumers. In trying to understand where they come from, I want to point to one ethnographic scene I have already presented, one testimony obtained in an interview, and the step-by-step process of assembling the infrastructure of production for a new market in Mexico for a trade company that had worked until then just with the US.

Sometimes the relationship between ethnonational variation and replication has been learned the hard way, as, for instance, when the fit models from the market the shoe is being developed for are unable to try on the finalized samples successfully. This happened on several occasions during my fieldwork and, as I've explained, resulted on at least two different occasions in the US reference fit model traveling to China to try some of the comfort shoes being developed on a wider foot. This kind of taken-for-granted routine at the epistemic level collided also with the realities of how the infrastructure was set up when Marcio, one of the Brazilian technicians I interviewed extensively, described to me how complicated it was for him to work for the Russian market, given that the standards put in place for that market were different enough to alter, for instance, the proportions of boots. Both Brazilian and Chinese traders follow the proportions set historically by German and Italian makers. This requires not only the hiring of a model just for that market – one with a protruding metatarsal, as signaled by Marshall, the Taiwanese production manager – but also the development of different lasts than those used for the US or Europe at large. This leads to Marshall compromising his own technical expertise in trying to generate the proper replica, and forcing him to learn some procedures anew.

Translation issues are relatively common knowledge, and technical workers have learned to work around them or to replace the nonworking parts (usually the fit models) when necessary. Stereotypes about what the feet of a consumer for a certain market are like are accepted as received lore and presented to outsiders like me as facts to deal with. That is why I found the "putting a foot for a market anew" experience of Venus – an Afro Latina US designer who has a sample room and factory in China – working for Mexico very much revelatory of how those stereotypes are produced. She described the experience to me as one in which she sat in multiple trips, for days at a time, at different locations of the department store she was producing shoes for in Mexico City, observing the feet of the female customers who were going to the floor where shoes were sold. While she also paid attention to what they said about the shoes on display, she was far more interested in listening to their complaints as they tried shoes on – paying attention to where the shoes pinched them, the areas where the foot hurt against the leather, or where they looked too loose – and, more importantly, in taking notes, pictures, and sketches of feet and legs. This happened so frequently that sometimes clients felt uncomfortable around her and wondered "Y esta qué mira?" as she would scan them from the floor up. When pointing at a picture of one of the samples developed in Dongguan, she explained to me that the lady in the image "tiene un pie más mexicano." By that she meant with a much higher instep than in the US (but relatively similar to China) and with a smaller ball.

In her narrative, biological and cultural explanations were intertwined once again in producing the alignment:

> A lot of women in China have a very high instep. And Mexican women have a foot that is flatter, like in China too, but the difference is that they have a very pronounced heel, because girls start wearing heels when going out much younger than in China or even the US. For the US market the foot is wider; in Mexico women are more delicate than in the US, the ankle is thinner.

The explanation she gave involved received cultural stereotypes, as most scholarship would expect; but it was also the result of typification work, achieved after multiple years and locations handling feet. (Venus worked for Inditex – owner of ZARA – for years as a technician developing their lasts for multiple markets, the rare case of a female technician.) Unlike the rest of the companies, designers, and technicians covered in the book, Venus's small line has a different challenge: to triangulate production, fit, and development between South China and New York for a consumer on a third, relatively new market. Her work of bracketing – while recognizing niche standardization so as to make the "Mexican" standard possible – revolves around constantly comparing the "Mexican" Chinese fit model (the company had to do a special casting in order to find her) and the "US" Chinese fit model (who works with her in most other lines, and who sometimes tries shoes on if the first model is unavailable) with the US fit model. If a shoe looks a bit loose on the "US" Chinese fit model, for instance, the shoe will get approved for development.

Regardless of which of the Chinese models is being used, if the instep is tight it is OK for the Mexican market – but wrong for the American one; on the other hand, if the US model in New York reports that a shoe is too tight on the instep, it means it needs to be modified to be loose on her. The measurements of the ball and the girth of the heel present similar issues, with a Mexican shoe needing 46 millimeters of ball circumference, which would be too narrow in the US. Hence, if shoes are too tight at the ball level in China, they would not be OK for the US market but would work for the Mexican consumer. Unlike other industries, replication and transposability here are not the product of the movement from flesh to metal, from the bodies to an outer bar, since all standard holders are actual bodies; rather, they are products of the meeting of flesh at one location with flesh at a different one.

Given that there is a potential for standards to be constantly corroded, the work of surveillance to make sure the measurements are the right ones for the market in question is a continuous endeavor (Alder 2002); it's not about disembodying embodied features but rather about the constant dis- and re-embodying of measurements and quirks. The standardization-producing strategy of the export shoe industry works by combining two styles of modelization that are at odds in other fields that use humans to produce generalizable results. The first style is universalization, wherein a whole infrastructure works around and brackets the peculiarities of a particular foot to conform to an abstract and idealized measurement scale, and in doing so is always using people from one nationality to represent multiple ethnonational differences and generalize from them, so there are "Russian," "American," and "Mexican" Chinese models.

The second style is niche standardization (Epstein 2007) and surrogacy (Bolker 2009; Friese and Clarke 2012), as fit models are stand-ins for a particular segment of the population broadly conceptualized – US women – and the work to maintain the standard is not about adapting the infrastructure to the fit model's foot but rather to the imagined consumer's foot. This relationship between particular and universal structures the industry at large, as trading companies and factories deal with it by segregating workers by ethnonational standards, having different teams of models and technicians working for different national markets. What I've described here, zoomed into, and shown is the actual work of translating Chinese (and sometimes Brazilian) feet and legs into objects that anticipate the problems expected when aligned with one market, in this case that of the US.

This is the local expert work during and after standardization, predicated on the ideas that designers, technicians, and line builders have about their customers, and in consequence about how to transpose and modelize a model's measurements into a body different than her own. After all, the development of shoes is based on a foot that exists as an outside referent and is yet in tension with the consumer's imagined (and actual) foot.

Some concluding words

Translation work operates in the tension between the role of mimesis and the power to replicate a distant Other, in some cases known somewhat directly – as in the case of US designers, who are nevertheless from New York – and in other cases imagined (by fit models and technicians). Anthropologist Michael Taussig (1993) has called this "sympathetic magic," drawing attention to the power of replicas to explore difference and eventually become the Other. For him this mimetic faculty – the ability to make models and to imitate – has been unleashed by the modern technologies of reproduction and accelerated the chance for the replica to take the power from what it is purported to represent. This magic is a key component to understand and investigate how local experts produce global classifications. This essay was an attempt to show how said magic is produced and the performative effects it has.

References

Alder, Kenneth L. 2002. *The Measure of All Things: The Seven-Year Odyssey and Hidden Error That Transformed the World.* New York: Simon and Schuster.

Beckert, Jens. 2013. "Imagined Futures: Fictional Expectations in the Economy." *Theory and Society* 42 (3): 219–40.

Benzecry, Claudio E. 2022. *The perfect fit. Creative work in the global shoe industry.* Chicago: University of Chicago Press.

Bolker, Jessica. 2009. "Exemplary and Surrogate Models: Two Modes of Representation in Biology." *Perspectives in Biology and Medicine* 52 (4): 485–99.

Boltanski, Luc, and Eve Chiapello. 2005/1999. *The New Spirit of Capitalism*. London/New York: Verso.

Epstein, Steve. 2007. *Inclusion: The Politics of Difference in Medical Research.* Chicago: University of Chicago Press.

Friese, Carrie, and Adele Clarke. 2012. "Transposing Bodies of Knowledge and Technique: Animal Models at Work in Reproductive Sciences." *Social Studies of Science* 42 (1): 31–52.

Hannerz, Ulf. 2003. "Being there . . . and there . . . and there! Reflections on multi-site ethnography." *Ethnography* 4 (2): 201–16.

Hannerz, Ulf. 2004. *Foreign News: Exploring the World of Foreign Correspondents.* Chicago: University of Chicago Press.

Knorr Cetina, Karin. 1999. *Epistemic Cultures: How the Sciences Make Knowledge.* Cambridge, MA: Harvard University Press.

Latour, Bruno. 1986. "Visualization and Cognition: Thinking with Eyes and Hands." *Knowledge and Society: Studies in the Sociology of Culture Past and Present* 6: 1–40.

Law, John. 1986. "On the methods of long-distance control: Vessels, navigation and the Portuguese route to India." In *Power, action and belief: a new sociology of knowledge*, edited by John Law. London: Routledge/Kegan and Paul, 231–60.

Schutz, Alfred. 1959. "Tiresias, or our knowledge of future events." *Social Research* 26 (1): 71–89.

Taussig, Michael. 1993. *Mimesis and Alterity: A Particular History of the Senses.* London: Routledge.

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

The global bazaar economy

Biao Xiang

A global bazaar is a marketplace where small, independent enterprises buy and sell a wide range of goods globally and directly, without relying on a centralized mediator. Typical examples of global bazaars are the Yiwu Market (officially the "International Trade City") in southeast China and the Dubai markets (the Dubai Wholesale City and a group of specialized marketplaces such as the Deira Covered Shoes Market) in the UAE.

These global bazaars are distinct from "globally connected bazaars," which are old marketplaces inserted in the dominant paradigm of world trade (e.g., relying on supply chain and tourism to sell mass-produced souvenirs to foreign tourists). Global bazaars represent an alternative to the dominant model. In the global bazaar economy, producers and traders with limited capital and technology join global trade in an equitable and sustainable manner. In this sense, the global bazaar economy differs from "low-end globalization" (Matthews 2011, 2017), which consists of informal, and even illegal, trade activities facilitated by personal networks. They "prosper where the state has less capacity or will to regulate" (Mathews et al. 2012, 8). Global bazaars, in contrast, are open, stable, and protected by the state.

Biao Xiang 项飙 is Director of Max Planck Institute for Social Anthropology in Germany. Xiang's research addresses various types of migration in China, India and other parts of Asia. Xiang is the winner of the 2008 Anthony Leeds Prize for his book *Global Bodyshopping* and the 2012 William L. Holland Prize for his article "Predatory Princes". His 2000 Chinese book 跨越边界的社区 (published in English as *Transcending Boundaries*, 2005) was reprinted in 2018 as a contemporary classic, and 自己作为方法 (*Self as Method*, co-authored with Wu Qi) was ranked the Most Impactful Book 2020. His work has been translated into Japanese, French, Korean, Spanish, German and Italian. *xiang@eth.mpg.de*

A global market based on multiple local practices

The global bazaar economy is an ecosystem that brings together multiple local practices into global operation. It is through such articulation of local practices that an unusual combination of the "global" and the "bazaar" is achieved. In order to operate globally, transactions in the marketplace need to be transparent, following standard rules, and everyone is welcomed regardless of their cultural background. This makes a sharp contrast to the classical bazaar, where transactions are deeply embedded in time-honored, often impenetrable social ties. "In the bazaar, information is poor, scarce, maldistributed, inefficiently communicated, and intensely valued" (Geertz 1978, 29). Bazaar traders guess, bet, and bargain intensively. Over time, buyers and sellers form clientelistic relations, and they tend to negotiate with each other rather than looking for other offers. A result is the "traditionalization" of the economy: a family devotes itself to the same trade and works with the same partners over generations. "Grooved channels" form the basis of communication and transaction (Bestor 2004; Geertz 1978). In the global bazaar, information is abundant and rules are transparent. There are no "jungle of prices" or "cacophony and contradictions" (Geertz 1979, 217). Traders constantly change partners and establish new channels each time.

As a "bazaar," the global bazaar economy must set a low entry barrier to accommodate a large number of small players. Bazaar traders are autonomous, free from control by a third party, a feature that distinguishes the global bazaar economy from the so-called digital bazaars, such as eBay, Amazon, and Taobao. Traders at digital bazaars are mediated by centralized computer servers and do not engage in sustained communication with each other. If we characterize the classical bazaar as "information poor, relation rich," and the digital bazaar as "information rich, relation poor," we should emphasize that the global bazaar is both information and relation rich. Global bazaars simultaneously facilitate an open flow of information, intensive negotiations, flexible adaptations, and close collaboration.

This essay illustrates how the global bazaar economy in Yiwu, southeast China, developed by building on multiple local practices. A city with a population of 1.86 million in 2020 (Yiwu Bureau of Statistics 2021),[1] Yiwu exported RMB 286.79 billion worth of goods to more than 210 countries in 2019 (Yiwu government 2020). Three groups are central to Yiwu's trade. The first group were foreign traders, of which Yiwu received 500,000 annually in the mid-2010s (Yiwu Customs Office, Bureau of Commerce, January 2019, personal communication). This group was responsible for the lion's share of Yiwu's exports. An important subgroup were merchants with from the Middle East who often hired migrant Chinese Muslims (Hui) from northwest China as their translators and as buying agents. The second group were internal migrant shopkeepers who ran the 75,000 shops in Yiwu Market, which measures over 6.4 million square meters (Yiwu government 2021). Almost all the shopkeepers are Chinese, and many of them are from Wenzhou, a city known for its wholesale lights market and one that was used as a model for Yiwu Market. The third group were 200,000 manufacturers around Yiwu who supply the Market with low-technology and low-price commodities (Lu 2014, 23). Goods traded in Yiwu Market are made exclusively in China.

Each of the three groups have their own culture, namely distinct patterns of behaviors and perceptions. Although some of them are transnationally mobile, they are culturally local. Yiwu Market achieved its global operation by linking the multiple local modes of practice. Transactions in global markets, contrary to other kinds of markets, are based on, rather than displace, local practices, allowing small players to join the global trade without losing their autonomy. How, specifically, did Yiwu achieve this? In what follows, I first describe interactions between traders within Yiwu Market and then discuss the relation between producers and traders.

Channels among traders: Precise match

When asked how Yiwu Market succeeded as a global bazaar, traders, officials, and local researchers all mentioned "channel advantage" (*qudao youshi*). Mr. Shou, director of the Yiwu Bureau of Commerce, explained (January 2019, personal communication):

> A foreign trader lands in Yiwu, goes to the Market, he immediately finds the supplier who can make the things that he has in mind. Whatever you have in mind, no matter how unusual the design is, you can always find the right channel. You can find the right factory [via shops] who can change their products as you want […] After you buy the stuff, you have many channels to find firms who do customs clearance and shipping for you. They are all right next to the marketplace. You see them everywhere.

Channels are created by buyers and sellers for a particular transaction. Channels are different from supply chains, as channels are non-hierarchical. Nor are channels interpersonal networks, as channels are constantly shifting. One deal, one channel. All transactions need channels to some extent; but in Yiwu, small traders can establish, sustain, and switch channels at particularly low cost. With channels, buyers and sellers reach tentative agreements quickly, and sustain rapid back-and-forth communication until the deal ends.

Channel-making in Yiwu Market is greatly facilitated by the "marketplace procurement model" (*shichang caigou moshi*). This model, specific to Yiwu Market, was introduced by the local government in 2013. The most important advantage of this model, according to Mr. Chen, Director of Yiwu Customs, is that it enables "Chinese peasants who know nothing about the international market to engage in international business, and enables foreign merchants who know nothing about China to buy goods from China" (January 23, 2019, personal communication). Traders can carry out international trade in the same way they do their daily shopping. They are exempted from the normal regulations of international trade. They do not need special licenses for international trade or foreign currency accounts. The buyers and sellers settle payment directly, often in RMB. Shops in the Market are exempted from value-added tax (VAT) when they purchase goods from factories and thus do not need VAT invoices. This exemption not only lowers the price but also means that factories do not need to produce formal records of their costs, for instance of purchasing materials. This model opens doors for informal transactions all the way down, which is a great relief for low-end factories. The "marketplace procurement model" has accounted for about 80 percent of all exports from Yiwu since 2014 (an officer at Yiwu Customs, January 24, 2019, interview).[2]

Yiwu Market is conducive for channel-making also because the entire marketplace is state owned. All shopkeepers rent shop space from the government directly. Subletting is forbidden. State ownership keeps the rent low and prevents financial speculation over shop space. The Market management, which is part of the city government, imposes multiple-level administration to ensure public order. At the grassroots level, every thirty shops are grouped into a "grid," and every eight to ten grids (between 200 and 300 shops) constitute a "block." Shop tenants elect "grid heads" and "block heads." The leaders liaise between the Market management and individual tenants and are tasked with maintaining social order in their trading area.[3] Public order in the Market contributes to public trust. Traders in the Market establish channels with each other quickly not because they trust each other, but because they trust the Market.

One example of the "channel advantages" is the rapid development of e-commerce in Yiwu from the end of the 2010s. Instead of being marginalized by online transactions, Yiwu attracted large numbers of e-commerce enterprises. Most are small operations, with one or two staff. They sell goods through popular platforms such as Kuaishou, TikTok, and Taobao to consumers in China (the Chinese market was critical for Yiwu Market when international trade was severely disrupted during the COVID-19 pandemic from early 2020). One village in Yiwu reportedly attracted 20,000 migrants who set up live streaming sales studios. They sold 600,000 items every day in mid-2020. E-commerce traders moved to Yiwu because they could source a wide range of goods in the Market, and could negotiate with the manufacturers through shopkeepers to rapidly adapt goods to the latest fashions.

Channels between traders and producers: Flexible collaboration

Yiwu Market would have been another globally connected bazaar, rather than a global bazaar economy, had it not been connected with the 200,000 factories. Most of the factories have no brands or direct marketing channels of their own, and they reach out to the world by working with shopkeepers in the Market. Some factories directly rent shops in the Market. These factories win customers by satisfying their specific needs in a timely manner. At the same time, they follow fast-changing fashions closely – being half a step ahead of others is how they gain a market share temporarily, before moving on to another product. Thus, any hints from traders is valuable (for analyses on similar channeling functions of specialized wholesale marketplaces in rural industrialization in the Yiwu region, see Bellandi and Lombardi 2012; Jin and Ke 1997; Ke 2012).

Traders equally cherish their channels to producers. Like producers, small traders have to be quick in following fashions and have to be finely niched, constantly searching for goods that are slightly different from competitors. I accompanied an Algerian trader and his translator in a search for pens in Yiwu Market one day in 2017. The trader ordered 200 pens, and he asked to change the color of the coating, remove a flower image on the pen, and add Arabic text on the box. His translator and buying agent, a Chinese Muslim, explained his follow-up communication with the producer (January 9, 2017, interview):

> After they signed the contract (with the shop who represents the factory), I will talk to the factory almost every week. They are small factories. Their material supply is not stable; they may have blackout for two days without warning. Rarely do factories deliver goods on time. You just have to chase them. When the goods are delivered, there is always something different from what we asked for: the color, the thickness of the gold rim, etc. [on the pen]. Then we negotiate again!

Flexible collaboration between traders and producers is facilitated by clusters of small producers around Yiwu. Since the 1990s, the Yiwu government has actively cultivated industrial clusters. Each cluster brings together a large number of small enterprises that produce different versions or parts of the same type of goods. The cluster of artificial jewelry, for instance, consisted of more than 8,000 factories in 2016, supplying 800,000 kinds of products for more than 3,000 shops in the Market to be exported to over 170 countries (Huang Hairong et al. 2016). Other clusters contributed 40 percent of the world's electronic watches, 40 percent of zippers, and 35 percent of socks in China in mid-2015 (Zhu 2016). Each cluster is like a company, and each factory is like a department. The very fine division of labor among the numerous factories within the cluster means that producers can work with each other flexibly to produce what traders want, no matter how niche the requirements.

Factories extend channels further by adopting the "putting-out model," a form of subcontracting work where enterprises put out work to rural producers. According to one estimate, factories that were regular suppliers of Yiwu Market paid RMB 6.5 million a year to a rural population of 3.5 million in 2013 (Lu 2014, 23). A keyring producer showed me a two-page long note from a Japanese trader that specified what a ring should look like. The producer, hiring eighteen workers in 2017, told me: "We are basically a design studio. We design the product according to the foreign trader's requests. We then collect some parts from other factories and outsource [the production of] other parts. For example, coloring the balls and stuffing the mascots are dispersed to individual households" (January 11, 2017, interview).

Another government initiative aimed at strengthening channels between traders and producers is to make each product traceable by introducing QR codes. Mr. Yan, director of the Trade Office at the Yiwu Bureau of Commerce, told me: "We want to make everything traceable. We can then go back to the origin of everything that is sold here. If there are disputes [between traders about a good], we can go back the producer to know who should be responsible" (January 25, 2019, interview).

Conclusion

The global bazaar economy allows small independent players to enter into legitimate global trade without losing their autonomy. Such an economy combines global dynamics – dis-embedding, generalizing, wide information sharing – with bazaar characteristics – embedded, local, and conducive to small players. Yiwu in China develops the global bazaar economy by linking together multiple local practices: small-scale production, a well-organized bazaar, and trade based on diaspora networks.

Such an articulation across groups and cultures is achieved through "channels" – connections created by traders and producers to reach a precise match between demand and supply, and to carry out flexible collaboration. The Chinese Muslim translators play an important role in linking different local practices by specializing in maintaining such channels. The articulation of multiple local practices is critically facilitated by government interventions. Government measures include state ownership of the Market, the radical liberalization of trade accompanied by strict regulation over the Market as a social space and pro-business clustering strategies accompanied by high-tech monitoring. These measures promote local production and commerce practices (e.g., by exempting tax requirements) and, more importantly, articulate them into active global trade, which the local practices could not achieve alone. In sum, the global bazaar economy must be understood as multiscalar, multifaceted, and composite processes.

Endnotes

1 The 1.86 million does not include foreign traders but does include some migrant shopkeepers in the Market.

2 The percentage dropped to 73.9 percent, possibly because of the COVID-19 pandemic, which prevented the physical contact that is crucial for the bazaar economy (Jinhua Daily 2021)

3 During the COVID-19 pandemic that started in early 2020.

References

Bellandi, Marco, and Silvia Lombardi. 2012. "Specialized markets and Chinese industrial clusters: The experience of Zhejiang Province." *China Economic Review* 23 (3): 626–38.

Bestor, Theodore. 2004. *Tsukiji: The Fish Market at the Center of the World*. California: University of California Press.

China News. 2020. *Zhejiang Yiwu International Trade City fully resumed business, "buy buy buy" in a safe way during the epidemic.* 24 February. Available at: http://www.chinanews.com/shipin/spfts/20200223/2575.shtml (Accessed 11 October 2021).

Geertz, Clifford. 1978. "The bazaar economy: Information and search in peasant marketing." *The American Economic Review* 68 (2): 28–32.

Geertz, Clifford. 1979. "Suq: The Bazaar Economy in Sefrou." In *Meaning and Order in Moroccan Society: Three Essays in Cultural Analysis,* edited by Clifford Geertz, Hildred Geertz, and Lawrence Rosen, 123–313. Cambridge, UK: Cambridge University Press: 123–313.

Huang, Hairong, Jing Chen, and Ng Adolf KY. 2016. "Sheye jingji yanjiu". *Business Economics Research* 18.

Jin, Xiangrong, and Ke, Rongzhu. 1997. "Dui zhuangye shichang de yizhong jiaoyi feiyong jingjixue jieshi" [An economist's interpretation based on transaction costs about specialised marketplaces]. *Jingji Yanjiu [Economic Research]* 4: 74–79.

Jinhua Daily. 2021. *Yiwu international trade value exceeded 300 billion yuan.* 29 January. Available at: http://www.jinhua.gov.cn/art/2021/1/29/art_1229160396_59195566.html (Accessed 12 October 2021).

Jinhua News. 2020. *Districts One and Two of Yiwu International Trade City opened today! Logistics, e-commerce and other supplementary industries have resumed work one after another.* 18 February. Available at: https://mp.weixin.qq.com/s/vae3skvldX-fe5SwO9ayqFQ (Accessed 11 October 2021).

Ke, Ding. 2012. *Market Platforms, Industrial Clusters and Small Business Dynamics: Specialized Markets in China*. Cheltenham: Edward Elgar Publishing.

Lu, Lijun. 2014. *Yiwu Experiment* [Yiwu Shidian]. Beijing: People's Publishing House.

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

Mathews, Gordon. 2017. *The World in Guangzhou: Africans and Other Foreigners in South China's Global Marketplace*. Chicago: University of Chicago Press.

Mathews, Gordon, Ribeiro Gustavo Lins and Vega Carlos Alba. 2012. "Introduction: globalization from below?" In: *Globalization from Below: The World's Other Economy*, edited by Gordon Mathews, Ribeiro Gustavo Lins and Vega Carlos Alba. London: Routledge, 1–15.

Shi, Tingting. 2019. "An account of Yiwu's transformation: Don't say you know how to live broadcast until you get to Beixiazhu." *The Paper*, 9 June. Available at: https://www.thepaper.cn/newsDetail_forward_7779529 (Accessed 10 July 2020).

Yiwu Bureau of Statistics. 2021. *Briefing on main data of the seventh population census.* 10 June. Available at:

http://www.yw.gov.cn/art/2021/6/10/art_1229187192_3849530.html (Accessed 12 October 2021).

Yiwu government. 2020. *Data Yiwu: Overview of domestic economic and social development for 2019.* 26 April. Available at: http://www.yw.gov.cn/art/2020/4/26/art_1229137466_57659545.html (Accessed 12 October 2021).

Yiwu government. 2021. *International trade city.* 21 January. Available at: http://www.yw.gov.cn/art/2021/1/21/art_1229137473_50623531.html (Accessed 12 October 2021).

Zhu, Min. 2016. "The history, characteristics and lessons of Yiwu Specialized Market." *State Information Centre News*, 8 October. Available at: http://www.sic.gov.cn/News/455/6999.htm (Accessed 10 July 2020).

Questions of culture in the life of offshored Chinese capital

Julia Chuang

Since 2008, private Chinese family wealth has been rapidly expatriated overseas. Chinese citizens are currently transferring money out of the country at a rate of around 450 billion USD per year (Fan 2016). One industry study estimates that 60 percent of Chinese citizens with a net worth of more than 1.5 million USD are either in the process of moving abroad or considering doing so (Hurun Report 2021). This capital flow is motivated by a range of factors: a lack of profitable avenues for reinvestment within China, increasingly restrictive and unpredictable political regulations on the private sector, and/or a desire to hedge against risks of political crackdown by making preparations for a possible future emigration.

In global cities outside of China, networks of transnational brokers work to facilitate the transfer of Chinese assets: private bankers, realtors, life insurance agents, education consultants, immigration lawyers. These brokers act simultaneously as fiduciary agents, exploiting regulatory voids where wealth can be protected from taxation and political instability (Harrington 2016), and as cultural intermediaries, transmitting to clients the symbolic distinctions conveyed by transnational consumption (Sherman 2011). They navigate a regulatory space that is shaped by national and subnational governments and multinational corporations simultaneously competing for capital investment (Eichengreen 1996).

The data for this essay come from interviews with twenty transnational brokers, based in transnational cities outside of mainland China, all catering predominantly to Chinese clients. I supplement this with participant observation at life insurance workshops in New York City and realtor association meetings in Boston, MA. I used personal recommendations and snowball sampling to recruit interviewees.

This essay will explore the different cultural logics guiding distinct capital flows among Chinese capital holders. As Chinese capital holders consult with transnational brokers on where and how to invest their assets and plan for future emigrations, they encounter a global industry of fiduciary agents and cultural intermediaries, who attempt to adapt their investment and consumption practices to western market norms. Yet my preliminary research documents differences in how Chinese capital holders have adapted their economic and cultural practices to western, global norms. While capital holders reject western investment principles, preferring to seek out investment products legible according to Chinese norms, they conversely embraced a western-centric hierarchy of value in the realm of cultural consumption. I end the essay with reflections on the implications of this divergence.

Moving assets, moving people

This piece investigates the life of "over-accumulated" capital in China – capital that has accumulated as a result of China's trade surplus and now seeks new avenues for profitable reinvestment. Yet as over-accumulated Chinese capital seeks reinvestment in offshore markets, strict regulations on migration and capital controls have created a market demand for intermediaries who can navigate legal obstacles to migration (Goh, Wee, and Yeoh 2017) and create regulatory voids enabling tax-free capital flow (Harrington 2016).

In many global cities, Chinese-speaking intermediaries have created a customized, one-stop-shopping experience for high net-worth Chinese individuals seeking any combination of transnational asset protection and expatriation. Most of these intermediaries are members of the Chinese diaspora, and most serve solely Chinese clients.

In the world of Chinese capital expatriation, brokers have altered and localized various services and investment products to the local needs of Chinese capital holders. Life insurance policies have been transformed into overseas inheritance vehicles that treat premiums as investment principals to be repaid, tax-free, to clients with dividends. Trusts protect assets from taxation and allow families to exert control over children's spending habits. Realtors sell properties to

Julia Chuang is an Assistant Professor of Sociology at the University of Maryland. Her book *Beneath the China Boom: Labor, Citizenship, and the Making of a Rural Land Market* was published by University of California Press in 2020. *jchuang1@gmx.de*

Chinese clients, then serve as all-around personal concierges for the clients' children, who utilize these properties on weekends as they attend nearby elite boarding schools. Finally, immigration consultants specialize in finding circuitous avenues to investment-based visas, green cards, and permanent residency, often helping clients strategize complex stepwise migrations targeted at attaining clients' desired status – not always full citizenship – in their preferred destinations.

Two types of capital flows

What kinds of capital holders utilize the services offered by transnational offshore wealth brokers? This essay focuses not on Chinese professionals, whose income is likely to be tied to wages and employment, but instead on members of the Chinese ownership class: those whose assets are tied to company shares, real estate, or other non-wage assets.

I identify two groups of capital holders seeking wealth expatriation, which I call "embedded elites" and "renegade elites." These groups are distinguished more by their embedding within Chinese markets and their relationship with the Party-state than by their absolute size of assets.[1] Embedded elites are well connected to both Party and market elites, often running businesses that rely on industry protections, subsidies, and other forms of special treatment for profitability. This reliance, however, renders them vulnerable to Chinese Communist Party (CCP) crackdowns and arbitrary imprisonment on trumped-up charges. Renegade elites, by contrast, tend to draw income from informal ventures in less regulated industries like shipping, manufacturing, and mining. They are not reliant on Party connections for business profitability and are therefore under no threat of CCP crackdown.[2]

Brokers discern different orientations to money among these two types of clients. Embedded elites, for example, often never meet their wealth managers, instead appointing other fiduciary intermediaries to handle their financial dealings. They keep the sublegal aspects of their wealth management as far from them as possible, often transferring assets to family members rather than holding it themselves. Renegade elites, on the other hand, deal on a daily basis with turbulent finances, and often chafe against the norms of the low-risk, low-return world of fiduciary wealth management. One wealth manager described difficulties with handling older renegade elites, who were accustomed to the high upsides of Chinese markets and rejected the low returns of western stock markets. She described a rough-and-tumble orientation toward capital among these investors: "They're just like, I don't know why I'm talking to you. This is not making money, this is like losing money." Indeed, much of the work of managing clients lies in acclimating them to western investment dispositions, and identifying clients who are "[open] to understanding how to manage wealth differently than just gambling."[3]

Renegade and embedded elites use different methods to bypass state capital controls on foreign exchange on the currency conversion of large sums of capital. Embedded elites use sophisticated methods to transfer currency: shell companies or complex transactions embedded within company IPOs or shell companies. Renegade elites, on the other hand, typically engage informal currency brokers (*duiqiao*) who swap their RMB cash assets for US dollars in informal transactions with foreign merchants seeking to purchase Chinese labor or materials under the table, tax-free.

What these elites seek in offshore markets differs as well. Both groups regard western stock markets as low-yield, low-risk sites for parking capital. Many brokers relayed to me that investment opportunities in Chinese markets, by contrast, can yield 20–30 percent returns, rates which, to many Chinese elites, justify attendant risks of considerable market fluctuations. Therefore, renegade elites see offshore markets as places where they can lower their exposure to market fluctuations, often creating commercial and residential real estate portfolios to maximize returns.[4]

Embedded elites, meanwhile, often have access to high-return and relatively low-risk investment avenues within mainland China through venture capital firms like Alibaba Capital Partners and Baidu Ventures, which invest in high-technology industries such as biotechnologies, artificial intelligence, and pharmaceuticals, where profitability rates remain high. The profitability of these high-tech sectors stems partially from the substantial influx of state capital into these sectors, thanks to central state and local government subsidies (Hong et al. 2015).5 Because high-tech industries remain profitable, capital holders with access to investment channels in the high-tech sector tend to treat offshoring as a diversification strategy, rather than as an investment strategy. For them, offshore markets are attractive places to park money away from Chinese government detection.

More data on the range and distribution of Chinese capital in various investment destinations is needed. But if it is indeed true that private Chinese capital seeks profitable reinvestment only within domestic China, looking offshore only for safety or transnational family planning purposes, then we might view the current moment as a sectoral rather than a spatial shift in the industries that have moved to the core of the world economy. In other words, rather than continuing to seek profits in manufacturing through further offshoring to more peripheral sites with lower labor costs (Silver 2005), Chinese capital is instead "climbing the value chain" by seeking reinvestment in high-tech sectors.

Transnational family planning

Transnational family planning has become a method for utilizing kin ties to facilitate asset transfer. According to brokers, nearly all families offshoring wealth engage in transnational family planning, generally with a male breadwinner continuing to earn income in China while children are sent overseas, traditionally accompanied by a mother or grandmother (*peidu nainai*). This transnational family structure is a reversal of what anthropologist Aihwa Ong once observed of working-class migrant families in Southeast Asia, with male breadwinners engaging in "astronaut" migrations to wealth destinations while their wives and children remain in low-cost sending communities (Ong 1999). The elite Chinese astronaut who stays behind to continue plundering China's turbulent markets is part of a larger household diversification strategy: he maximizes the high returns available in mainland China's investment terrain while his family's emigration allows him to move existing assets to low-risk, low-return sites.

Diversification is a hedge against the risk of political crackdown in China, but many breadwinners wish to maximize their money-making capacity in the mainland while it lasts. This often means a breadwinner who resides in China and retains Chinese citizenship even while wife and children live abroad. One private banker described transnational family structures as facilitating an anxiety-ridden race to accumulate capital among embedded elites:

> The music is still on and they … need to be in China. Do they need to dance to the music until they stop? And it's not stopping yet? Yeah, they feel that it's close to the end, then they feel, you know, this clock is ticking. So they have a lot of anxiety to bring their family … and to move some certain assets to the US.

The strategy of leaving the primary breadwinner in China was also helpful for tax purposes: it removes the requirement of the household paying income taxes in the US. Subtle, legal avenues of tax evasion were common among all of my interviewees' Chinese clients, no matter their level of wealth. "It's not in the DNA [of Chinese people] to pay taxes," one interviewee commented. Another private banker distinguished between their more civic-minded clients emigrating from democratic origins, and Chinese clients, who generally "do not trust the government in any realm." Indeed, this lack of trust among Chinese clients extended further. Many brokers described their clients' lack of trust in financial institutions and even in brokers themselves:

> There's a huge lack of trust, yet yearning for security … my experience dealing with 90 percent of the folks coming straight from mainland China is just deep mistrust. Deep mistrust for me, you know? Yeah, so they only want cash with fixed deposits, fixed rates; or real estate.

This lack of trust, engendered by an unstable political climate surrounding wealth in China, led many clients to make plans to emigrate far before actually emigrating themselves.

The world of wealth expatriation is one marked more by strategic exchanges of capital for future mobility than by the present movement of people. Brokers encourage clients to move family members overseas, as a means of "taking care of their overseas money."[6] However, brokers estimated that 90 percent of their clients had no immediate plans for emigration at the time of transnational family planning. In spite of this, many, aided by brokers, pursue citizenship by investment opportunities through visa programs which required sizable investments in commercial businesses or real estate.

Differentiated desirability of citizenships

These practices feed into a global regime of mobility, wherein different citizenships confer different levels of cross-border mobility (Kim 2018). For example, capital holders often attempt to attain green cards in western nations which share visa-free travel agreements with other western nations, like the UK, Canada, or Australia, in order to maximize their future mobility. In addition, brokers aid clients in accumulating proper "migration-facilitating capital" (Kim 2018): for example, they direct capital holders toward less attractive destinations which offer citizenship by investment, with the caveat that these destinations share special treaty agreements with the US, the UK, and other attractive destinations. For example, one broker directs his clients first to apply for investment-based citizenships in Grenada, Turkey, or Bulgaria, then to apply for E-2 treaty visas to the US using their new non-Chinese, intermediary citizenship status.

Clients often voiced preferences in their emigration strategies which reflected local needs and cultural schemas. For example, brokers did not try to market

Bulgarian investment-based citizenship to Chinese clients, even as an intermediary citizenship status in a larger stepwise strategy of emigration to the US, due to clients' perceptions of Bulgaria as economically backward, a negative counterfactual to China's prosperous socialism. One broker stated that he "[doesn't] think that Chinese have much interest in a former Soviet Union location," then commented that in choosing citizenships, his clients adhere to a shared hierarchical schema of desirability, with US citizenship as most desirable[7] and Bulgarian citizenship among the least desirable: "They rank the world as if it's a high school class … Every student has been ranked from top to bottom, and that's where you get the whole America number one thing."

While clients desire US citizenship because, in the global regime of mobility, US citizenship allows considerable visa-free cross-border mobility, they share a distaste for citizenships in former socialist nations, where they believe the political safety of their assets could not be guaranteed.

A "Chinese mental map" of market risk

Chinese clients' perceptions of market risk and market reward were filtered through culturally specific schemas of trust. Chinese clients made decisions on where to invest their assets based on culturally specific notions of what constitutes a "safe" investment. Brokers described a flood of Chinese applications for permanent residency in Hungary during the 2000s, for example, because permanent residency could be purchased based on a government bond. The sudden popularity of Hungarian permanent residency was a rare exception to the rule of devalued desirability of citizenships in former socialist locales. One broker explained this exception by pointing to a common perception that government bonds are trustworthy products, regardless of the economic health of the bond-issuing country:

> Yes, the Eastern European country of Hungary with a probably per capita GDP in the 25 to 30,000 mark, was selling permanent residency based on a government bond. Buying a government bond. Right now, government anything is attractive to Chinese clients, because government for them is the ultimate backstop.

Local schemas of value and desirability, therefore, were multidimensional: in the case of Hungarian permanent residency, the perceived value of a government bond outweighed the undesirability of a post-socialist context.

Brokers' attempts to advise clients on investment strategies were often stymied by these strongly held culturally specific schemas of value. Many brokers, for example, described an overwhelming desire among Chinese clients to invest in Manhattan-based real estate. While some brokers attributed this preference to clients' desires to acquire social status, others attributed it to the tendency for Chinese clients to assume that similarity between the distribution of risk and reward in US markets and in Chinese markets. Whereas brokers understand the Manhattan real estate market to be saturated with large conglomerates and offer only low returns, they have trouble redirecting their clients to more "backwater" investment locations like Texas or Florida, where they anticipate higher returns.

One broker attributed the preferences of clients to an obstinate "Chinese mental map" which superimposed the Chinese schema of development onto the US terrain. Clients gravitated to Manhattan real estate, he explained, because in China the equivalent investment, in a Beijing-based large property developer, would have netted great rewards during the early decades of post-socialist development.

> Location … in [the] Chinese mental map is important. So if you can get a Four Seasons Hotel, which has great branding in China, or Intercontinental, these brands resonate [with Chinese clients]. Because in China, that was the way to go. If you invested with Poly [a Chinese state-owned conglomerate], if you invested with Wanda, if you invested with Wenke in Beijing and Shanghai for the last fifteen or twenty-five years, you are a multimillionaire today. If you invested in some small company in Nanning, [a third-tier Chinese city,] you are lucky if you have a couple hundred thousand left.

Brokers frequently described their clients as evincing preferences applicable to the Chinese development terrain, but which they viewed as outdated and irrelevant to global investment markets. For Chinese investors, however, government-backed bonds and Manhattan real estate were legible markers of a "safe investment."

Recent studies have depicted how economic transformations such as the rise of Asia have recast the elevation of local cultural preferences over western, "global" preferences as a form of nationalistic pride (Hoang 2015). But in the world of Chinese overseas investment, brokers were often consumed with convincing clients to adapt to western investment norms. Some brokers dismissed unsavvy clients who "haven't lost their Chinese accent" and remain "rooted in middle class ways of thinking" despite having access to large sums of wealth (these tended to be renegade elites). They sought to acclimate Chinese investors to western norms of wealth management: to direct clients seeking safety toward investment in low-risk, low-return public stock markets, and to direct clients seeking high returns to limited partnership investments in multifamily real estate syndication in suburbs and second-tier cities. These attempts, however, were often received reluctantly by clients, who still preferred to fill their portfolios in single-family real estate properties in first-tier cities, assets with more legibility in the Chinese context.

Western-centric cultural consumption

Whereas brokers encountered considerable friction and resistance in their attempts to acclimate clients to western investment practices, they described by contrast clients who had automatically internalized western-centric norms in the realm of cultural consumption. Clients were hyper-aware of minute distinctions of cultural capital, and brokers leveraged this awareness to establish trust with their clients. Brokers described the importance of speaking the "right kind of English": Singaporean- and Hong Kong-accented English, which carried a British lilt, signaled a more elite provenance than Chinese-accented English. Nearly all of the brokers I spoke to were members of the Chinese diaspora, and all leveraged global signifiers of cosmopolitanism – western educational pedigrees, membership in golf clubs, social connections to wealthy and well-connected Chinese elites – to establish commonality with their clients. Performing the "right" kinds of cultural capital is important for brokers, who must signal social similarity with clients as a basis for trustworthiness (Harrington 2016).

Yet brokers are also cultural intermediaries who produce and legitimate particular aesthetic dispositions among clients (Bourdieu 1984). As such, they assist their clients in signaling class in culturally appropriate ways, sometimes modifying tastes and dispositions in clients they viewed as inappropriate (see Sherman 2011 for a similar argument). Many brokers shared a view of their clients as members of the "new money" elite with tendencies toward more "gauche" tastes, and sought to correct these tendencies. These brokers found an enthusiastic audience for these corrective services. One successful broker, for example, attended Harvard Business School and a Swiss finishing school for young women, then started a highly popular finishing school in Beijing for aspiring young Chinese women interested in learning the cultural signifiers of the global cosmopolitan elite.

Just as clients sought to add prestigious brand names in their investment portfolios, they also sought out brand names among higher education institutions for their children to enroll in. Some clients viewed higher education as a form of migration-facilitating capital: international education ensured their children would access a global social network and global job opportunities.[8] More elite clients simply prized brand-name pedigrees for the social distinction that they would offer in their home countries. As one broker put it:

> It's [about] sending them to a Philip Andover, Philip Exeter, or Choate … so they can mix with a right American and European people … and then next step, sending them to Harvard. I mean, like that is what they pay for … pedigree, they are so clear about the pedigree that children need to have.

For the most elite of capital holders, the "right" institutions for social mixing are inevitably western institutions, signaling the function of pedigree cultivation as status symbols rather than as linked to social reproduction and the transmission of a particular class habitus. Another private banker emphasized this social signaling function of educational pedigree, stating that even his clients whose children attended Peking University and Tsinghua University, the most elite universities in China, pursued further study at Harvard, because "at the end, they still need to go to the US to get *dujin*, to get coated with gold."

Conclusion

This essay has documented several findings: an accelerated rush among Chinese capital holders to offshore private wealth, variation in the avenues that capital holders use to move assets, and a stark difference in the cultural schemas that guide wealth investment practices and cultural consumption practices among capital holders. I have argued that in economic practices of investment and emigration, Chinese capital holders hew to local schemas of value. In cultural consumption practices, however, capital holders enthusiastically embrace a western-centric hierarchy of value, striving earnestly for symbols of social distinction produced and legitimated in the west. Brokers described considerable friction in the "taste work" they performed to persuade clients to adapt to western norms of investment. By contrast, brokers were more likely to find themselves working to "catch up" with the cultural tastes of clients who had automatically internalized western-centric markers of prestige.

This finding complicates previous assumptions of how economic transformations shift local cultural schemas of value. Kimberly Hoang, for example, argues that after Asian capital overtook US capital as the majority source of foreign direct investment in Vietnam, local cultural preferences began to prioritize pan-Asian tastes and beauty standards over western norms (2015). Cultural schemas of value, she implied, tend to reflect economic power hierarchies.

Yet these cultural schemas of value are multidimensional, reflecting different power hierarchies in different realms. As Chinese capital holders seek western destinations as politically safe locations for parking capital, they embrace western symbols of social distinction and prestige. They participate in and reproduce a western-centric global regime of mobility, prizing western citizenships for the increased cross-border mobility they confer, and pursue higher education at western elite institutions purely for their status-signaling function. Yet the continued dynamism of Chinese markets creates an inversion of this prioritization of western cultural values. Chinese capital holders prioritize Chinese-specific norms of investment, which during the early years of China's economic boom netted gains far greater than any gains imaginable in western markets. In my study, Chinese capital holders adhere to cultural schemas of value that are multidimensional: they assess the desirability of options, like Hungarian citizenship by investment, according to multiple axes of value.

Finally, the notion of unevenness or lag in adaptation to global or western norms presents new questions. Why are investment practices more "sticky" than consumption-based practices, less easily altered to fit new cultural norms? As the winds of global economic hegemony shift, placing China more squarely in the center of the global economy, questions of cultural adaptation and shifting norms in the economic realm become ever more relevant.

Endnotes

1 Wealth managers distinguish between ultra-high net-worth clients (those with assets over 20 million USD) and only "affluent" clients (those with assets between 5 and 10 million USD).

2 There is a third category of elite Chinese capital holders who do not utilize transnational wealth management services. These are often politicians themselves, or company executives with close Party ties, whose passports are confiscated or held by the Party. For example, one hundred members of the National People's Congress and the Chinese People's Political Consultative Conference are billionaires (Hurun Report 2021). These elites are those so closely entangled with the Party apparatus that they use state and enterprise institutions to offshore their wealth and have no need for private banking or overseas family trusts. They generally reside in mainland China for their entire lives but send wives and children abroad to manage their assets.

3 Many wealth managers described indigenous wealth managers in China as hyper-aggressive in finding sublegal methods for overseas asset transfer and investment. As a result of their encroachment, many western-based wealth managers have seen their client rosters limited in recent years to those less politically embedded.

4 Brokers explained clients' preference for real estate as a cultural phenomenon, stemming from Chinese clients' desire for the psychological security of having physical manifestation of their assets, given the instability of Chinese markets and awareness of a historical legacy of government expropriation established by the Cultural Revolution.

5 To subsidize R&D, the central state provides tax deductions and financial support to domestic enterprises engaging in high-tech R&D activities. In addition, local governments offer additional R&D subsidies to local enterprises through either direct subsidies or subcontracting through government-funded research projects (Hong et al. 2015).

6 Avenues for asset transfer varied widely. Clients moving large sums of family wealth tended to use private bankers to help them establish shell companies, commonly limited liability companies located in the British Virgin Islands, to hide assets from the Chinese government. Many also purchased whole life insurance policies, a common vehicle for tax-free transnational inheritance. By purchasing whole life insurance policies based in Hong Kong or the US, which allow policyholders to pay high premiums, up to two million USD annually, into a fund which is invested in capital markets with dividends and can be later cashed out, upon the policyholder's death, tax-free, Chinese clients ensure that they can pass substantial wealth to emigrating children without triggering estate taxes. Finally, most clients without offshore shell companies established family trusts to avoid reporting overseas asset transfers to the Chinese government.

7 Finally, although US citizenship was viewed as universally desirable, not all clients sought to attain full citizenship. Many preferred to obtain treaty visas over green cards, which allowed them to come and go and did not obligate them to stay in destinations to prove residency. Treaty visas do not lead to a path to permanent citizenship: instead, they allow investors indefinite visa renewal, contingent on ongoing commercial investments. These treaty visas, referred to as "mini green cards," were often ideal for capital holders who needed to travel occasionally to "care for" their overseas assets yet did not want to physically relocate or pay taxes in their destination sites.

8 Gaining admission to elite higher education institutions, however, requires an extraordinarily long-term commitment, one that Chinese families readily take on despite considerable difficulty. To get around quotas for Chinese international students at top boarding schools and elite universities, many families hire educational consultants to enroll their pre-teen children in overseas middle day schools. Because many day schools, as opposed to boarding schools, have a requirement that one parent needs to be residing in the US for enrollment, families put considerable effort into procuring legal visa status for mothers or grandmothers to accompany school-aged children. When no visa

category can be identified for guardians, families send a rotating set of female caregivers – mothers, aunts, grandmothers – who each stay for three months at a time, the maximum stay permitted by travel visas. Families then adapt their transnational investment portfolios to facilitate these decades-long transnational migrations. Many clients, for example, purchase properties near elite boarding schools to serve as their children's weekend residences.

References

Bloemraad, Irene. 2006. *Becoming a Citizen*: *Immigrant Incorporation in the U.S. and Canada*. University of California Press.

Bourdieu, Pierre. 1984. *Distinction*. Cambridge: Harvard University Press.

Chan, Cheris Shun-ching, 2009. "Invigorating the Content in Social Embeddedness: An Ethnography of Life Insurance Transactions in China." *American Journal of Sociology* 115 (3): 712–754.

Eichengreen, Barry. 1996. *Globalizing Capital: A History of the International Monetary System.* Princeton, NJ: Princeton University Press.

Fan, Jiayang. 2016. "The Golden Generation: Why China's super-rich send their children abroad." *New Yorker.* February 22.

Findlay, Allan, David McCollum, Sergei Shubin, Elina Apsite, and Zaiga Krisjane. 2013. "The Role of Recruitment Agencies in Imagining and Producing the 'Good' Migrant." *Social and Cultural Geography* 14 (2): 145–167.

Goh, Charmian, Kellynn Wee, and Brenda S.A. Yeoh. 2017. "Migration Governance and the Migration Industry in Asia: Moving Domestic Workers from Indonesia to Singapore." *International Relations of the Asia-Pacific* 17 (3): 401–433.

Harrington, Brooke. 2016. *Capital Without Borders: Wealth Managers and the One Percent*. Cambridge: Harvard University Press.

Harvey, David, 2005, *A Brief History of Neoliberalism*, Oxford: Oxford University Press.

Hoang, Kimberly. 2015. *Dealing in Desire: Asian Ascendency, Western Decline, and the Hidden Currencies of Sex Work*. Oakland: University of California Press.

Hong, Jin, Song Hong, Liangbing Wang, Yi Xu, and Dingtao Zhao. 2015. "Government grants, private R&D funding and innovation efficiency in transition economy." *Technology Analysis and Strategic Management* 27 (9): 1068–1096.

Hurun Report. 2021. *Hurun Rich List 2021*. Accessed online at https://www.hurun.net/en-US/Info/Detail?num=LWAS8B997X-UP

Kim, Jaeeun. 2018. "Migration-Facilitating Capital: A Bourdieusian Theory of International Migration." *Sociological Theory* 36 (3): 262–288.

Li, Shi, and Haiyuan Wan. 2015. "Evolution of Wealth Inequality in China." *China Economic Journal* 8 (3): 264–287.

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

Sherman, Rachel. 2011. "The Production of Distinctions: Class, Gender, and Taste Work in the Lifestyle Management Industry." *Qualitative Sociology* 34: 201–219.

Silver, Beverly. 2005. *Forces of Labor: Workers' Movements and Globalization Since 1870.* Cambridge University Press.

Zhang, Mengzhu, Si Qiao, and Xiang Yan. 2021. "The secondary circuit of capital and the making of the suburban property boom in post-crisis Chinese cities." *Environment and Planning A: Economy and Space* 53 (6):1331–1355.

Globalization and film locations: Runaway productions in Hong Kong

Sylvia Martin

"Nobody cares about Hong Kong film." I was on the set of a Hong Kong film shoot in October 2021, and a film director[1] that I have known since I started research on film/TV production here in 2005 uttered this to me, as he had many times over recent years. The director's remark referred to his perception of a lack of interest on the part of young people to pursue a career in the Hong Kong film industry, making feature (narrative, non-fiction) films geared to theatrical release. While there remains a stream of Hong Kong storytellers, some of whom are working toward a less commercial capacity, other interlocutors had over the years also commented that working within the Hong Kong film industry is not generally regarded in Hong Kong society as a worthy profession to aspire to, years even before the territory's National Security Law's[2] film censorship measures started to take hold.

The director had invited me to visit a nighttime film shoot in Sai Wan on Hong Kong Island. It was 9 p.m. and the film crew had begun setting up along a narrow street near a subway station exit. The sequence involved a man chasing a racing car down the street, which entailed the involvement of a car stunt team. "Hopefully we'll finish before the sun comes up," the director commented. As the crew set up the shot in the heat and humidity of the evening, all of them wearing masks, pedestrians streamed past us: backpack-wearing university students, residents walking dogs, shoppers ducking in and out of small businesses lining the sidewalk. A shirtless man pushed a metal cart piled high with rubbish past us, near the lighting equipment, and a couple of young men who had just bought cold drinks from the nearby 7-11 stood drinking and talking in an alley off the street. Meanwhile, three elderly men strolling past the crew paused to gather around a nearby parked car that had been ticketed, exclaiming over the price of the fine. The passersby barely looked at the crew, and the director and I chuckled over the three men showing more interest in the parking fine than in the car stunt being set up. Once filming started, crew members were stationed at the street corners to temporarily re-route oncoming traffic and halt pedestrian activity. In Hong Kong, location filming by local crews is not an uncommon sight. Between takes, activity resumed with minimal disruptions, the local filming absorbed into the rhythm of the urban environment.

In this paper, I take up the director's observation to examine some of the challenges of working in the Hong Kong film industry, as they demonstrate, I contend, some of the complexities of media labor amid globalizing processes. The instability and uncertainty of media labor has been documented in media industries around the world, what media scholars Michael Curtin and Kevin Sanson refer to as "precarious creativity" (2016). The precariousness is a major deterrent, especially in a city that has in the past twenty years increasingly seen its industry overshadowed by mainland China's growing film industry and market, as well as Hollywood's influx of blockbusters into its local theaters and, as I illustrate here, onto its streets for location filming. This paper draws on multi-sited anthropological research I conducted in the Hollywood and Hong Kong film industries between 2003 and 2007, and in 2011, that compared how media professionals addressed risks of media production in a globalizing world (Martin 2017). The two industries are renowned for producing commercially oriented

Sylvia J. Martin is an anthropologist and assistant professor in the Sociology Department at University of Hong Kong, where her research includes media, globalization, and the state. She is the author of Haunted: An Ethnography of the Hollywood and Hong Kong Media Industries (Oxford UP, 2017) which is based on multi-sited fieldwork and was supported by a Fulbright postdoctoral fellowship in Hong Kong. Dr. Martin has published in Visual Anthropology Review; Media, Culture & Society; and Critical Studies of Media Communication. Her current research looks at how US empire is sustained through Hollywood and U.S. military collaborations and joint innovations. *sjm1@hku.hk*

film, and also share a nearly century-long history of flows of labor, ideas, and cinematic genres, their convergences forming, I argued, transnational media assemblages. Ethnographic fieldwork included observing location filming in Hong Kong and an internship at a Hollywood production company at a Los Angeles studio and working as an "extra" on Hollywood film/TV sets.[3] Exemplifying the transnational, and transpacific, nature of filmmaking, I occasionally met with research participants from Hong Kong in Los Angeles, and numerous Hollywood-based filmmakers and film executives in Hong Kong. While there were clear contrasts between the Hollywood and Hong Kong film industries, there were also striking commonalities between them, including a sense of unease among production workers about their future, as production was becoming unmoored from each industry's historic geographic base: Hollywood's experiencing an increase in partially outsourced "runaway productions" out-of-state and overseas, and Hong Kong's with production jobs moving to the mainland amid a growth in Hong Kong-China co-productions. Globalization – entangled in localized neoliberal imperatives and broader geopolitical concerns – may hold varying *specific* consequences for both production centers, yet salient similarities nevertheless existed between them.

Extending from the film shoot described above, I focus on location filming in Hong Kong as part of Hollywood's globalizing processes and de-centralization of production through what industry scholars refer to as "runaway productions." I demonstrate that the reception of Hollywood runaway productions in Hong Kong reveals that the postcolonial Hong Kong SAR government privileges facilitating foreign filmmaking in the territory over local Hong Kong filmmaking as part of a broader cultural logic in Hong Kong that has historically favored expatriates and business elites. Location filming, I contend, not only contributes to cinematic storytelling but constitutes a narrative in its own right, a public performance that conveys to onlookers the Hong Kong government's valorization of foreign (and particularly Hollywood) media production as part of what David Harvey refers to as urban entrepreneurialism, despite disruptions those productions may cause and the needs of local storytellers that remain overlooked. These events illustrate the complex cultural dynamics at play within globalization.

Overview

To briefly contextualize, the Hollywood and Hong Kong film industries are both commercially oriented, yet they are situated quite differently. Hollywood, established in approximately 1915, is located in a state mythologized for its strong frontier ideology (Messeri 2016, 47), within a nation-state many consider an imperial power (McGranahan and Collins 2018). Hong Kong's film industry is based in a territory colonized by the British starting in 1841, prized for its harbor. Hong Kong was occupied by the Japanese military during the second Sino-Japanese War, and post-war, in the resumption of British administration, the film industry was not immune from Cold War tensions (Fu and Yip 2019). After the 1997 handover, Hong Kong became a Special Administrative Region of China as part of "one country, two systems" governance.

Hollywood's domination of film markets around the world, especially after World War II, is due in part not only to extensive global distribution networks facilitated by US multinational media corporations but to American "exertion of political pressures on other countries to open their markets to freer trade … Indeed, Hollywood has always received abundant help from the U.S. State Department, the Commerce Department, and other agencies of federal government," (Scott 2005, 153). From the 1910s, Hollywood was, and remains, a vehicle to communicate US cultural values and advertise US commodities for audiences both domestic and international. In contrast, Hong Kong's film industry was offered little support by first the British colonial and, post-1997, the SAR governments (Chan, Fung, and Ng 2013). Yet for many decades, Hong Kong's film market influenced regional and international audiences, and was designated a "Hollywood of the East" by film scholars for its high output in the 1970s-80s (Fu and Desser 2002; Stokes and Hoover 1999). By the early 1990s, locally based film productions started to decline (Szeto and Chen 2013), and the city's current theatrical output would increasingly emerge through co-productions with China, particularly after the implementation of the 2003 trade agreement, the Closer Economic Partnership Arrangement. Hong Kong's film industry and financial services are seen by Western and especially American film companies as a stepping-stone for entering mainland China's market, and in subsequent years, Hollywood, like Hong Kong, has forged closer ties to mainland China for its promise of profits. Local Hong Kong productions currently play to more niche audiences locally and internationally, while also obtaining distribution on the globally streaming platform Netflix.

As various scholars of Hong Kong film have asserted, the Hong Kong government, especially under the British colonial administration, did not provide support for sustainability as a viable commercial market (Chan, Fung, and Ng 2010; Szeto and Chen 2013). Joseph Chan, Anthony Fung, and Chun Hung Ng argued, "it is simply not fair to leave the Hong Kong film industry to struggle on alone in light of the fact that it has only a small domestic market to start with" (2010, 82). In the past eighteen years, Hollywood films have generally dominated the top ten grossing films of the Hong Kong box office, with the number one grossing film from 2006 to 2020 a Hollywood production (Box Office Mojo 2021). Throughout my research, industry members complained of a lack of interest and support from the government. Despite the glamour often associated with celebrity, some research participants' family members discouraged them from a career lacking what is considered the respectability of white-collar professions in legal, medical, or academic fields. These young people (many from a middle-class background) have also been strongly encouraged to pursue stable and secure professions, which working in the precarious film industry is not, even prior to the increasing scrutiny that the territory's industry is undergoing with recent amendments to its Film Censorship Ordinance. Even in the past several years, university students and young professionals, especially young women, have described family expectations to pursue more "respectable" and practical jobs than those in film. Reports of Triad involvement in filmmaking have also been a hindrance to the film industry's respectability (see Curtin 2007; Martin 2012). The next section examines how these aspects of Hong Kong's film industry intersect with globalizing media production processes.

Runaway productions

"Runaway production" is a term that refers to the de-centralization of Hollywood's Los Angeles base, with productions filmed overseas or outside of southern California. In what media scholar Daniel Steinhart identifies as the beginning of Hollywood's globalization of production processes, the aftermath of World War II saw an uptake in Hollywood productions filming overseas in diverse international locations resulting from a new emphasis on realism and a push for Hollywood studios to hire cheaper labor overseas, combined with the lure of foreign subsidies and tax incentives (2019, 5–6). Runaway productions were (and remain) pursued for two main motivations: economic (including using stand-in locations) and creative, in the quest for locales considered "authentic" to the story. Both kinds include combining key Hollywood crew members with local, on-site labor. According to Steinhart, the term "runaway" was adopted by Hollywood unions in the late 1940s to designate those productions that sought to avoid paying American union rates (2019, 26). Media scholars have been largely critical of contemporary runaway film and television production for its association with outsourcing to cheap(er) labor, weakening of union oversight, loose environmental protections, and reliance on foreign tax subsidies and domestic tax credits which they refer to as a form of "welfare for the wealthy" for Hollywood studios (Mayer 2017, 2; Miller et al. 2005). The globally fragmented labor process of media production enforces what Toby Miller et al. refer to as "contingent labor as a way of life" (2005, 123), and based on the New International Division of Labor, they conceptualized this fragmentation as the New International Division of Cultural Labor, which relies in part on "the role national governments play in collusion with MNCs [multinational corporations]" (2005, 120).

"Authentic" narratives on location

"Creative" runaway productions – those that seek authenticity – while perhaps a more legitimate endeavor than a purely economic one, can nevertheless be a fraught transcultural undertaking, especially considering historical interactions between film industries and the broader geopolitics surrounding them. A runaway production that filmed in Hong Kong for creative reasons, with its "authentic" locale matched to the source material, recently made international headlines, in August 2021.[4] The star and executive producer of US-based Amazon Prime Video's upcoming series *Expats*, Australian-American Nicole Kidman, flew into Hong Kong on a private jet on August 12 to film her scenes. Kidman was vaccinated but granted an exemption by the Hong Kong government from the mandatory seven-day designated hotel quarantine for other Australians. The exemption was criticized as she flew in from Sydney, Australia, which was experiencing a surge of the highly contagious Delta variant of Covid at the time such that the quarantine for arrivals from Australia was extended to fourteen days from August 20 onwards. The reason given for Kidman's exemption by Hong Kong SAR's Commercial and Economic Development Bureau was "for the purpose of performing designated professional work, taking into account that it is conducive to maintaining the necessary operation and development of Hong Kong's economy" (CEDB 2021). Select bankers and diplomats also enjoyed this privilege. Kidman reportedly resided on the island's Peak, an exclusive area historically restricted to non-Chinese by the British colonial government. Meanwhile, the Asian American director of *Expats*, Lulu Wang, was not allowed to forego two different rounds of the mandatory twenty-one-day quarantine for travelers from the US, according to her Instagram account. Kidman was also seen shortly after her arrival shopping in Central Business District; it was not clear if she had deviated from her government-approved itinerary, but the Secretary for Commerce and Economic Development claimed that Kidman's outing may have been for a costume fitting. In English-language news outlets and on social media, people expressed indignation that Kidman was granted an exemption, but it was defended by the government.

The filming of *Expats* struck a sour note with local journalists and commentators (see Hui and Li 2021). *Expats*, based on an English-language novel by Janice Y. K. Lee, is about the lives of three American expatriate women in Hong Kong. Journalists pointed out the juxtaposition of the HKSAR government facilitating an Amazon production filming on the city's streets while at the same time unprecedented film censorship was being proposed in the city for local productions and local stories. It is also important to note here that Kidman's government exemption could have resulted in a public health crisis for Hong Kong, which the government claims to be avoiding at all costs in its Zero Covid policy, especially as Kidman filmed in some of the densest areas of the city, such as Mongkok and Central Business District. The "authenticity" that this runaway production provided for Amazon conveyed another stark truth, already familiar to Hong Kong people, of the city's privileging of business elites, especially western ones. Further, as I show below, the government's approval for a foreign production that would showcase the city's gleaming landscape and private lives of expats who interact minimally with local individuals and issues drew on the territory's consistent tactic of attracting and associating with transnational capital by advertising its high-end global brand.

The disparities in potential harms and privilege for local conditions that come with runaway productions echoed an earlier Hollywood-Hong Kong encounter. In November 2007, Warner Bros.' blockbuster *Batman: The Dark Knight* filmed in Hong Kong, the director, Christopher Nolan, seeking to feature the city's famous skyline. At a press conference for the eight-day production, the Chairman of the Hong Kong Film Development Council, Jack So, announced, "I am sure Batman will further raise Hong Kong's profile and attract more tourists to come here" (Press Release 2007). Given the dominance of US blockbusters in international markets, which beckon global audiences to imagine themselves amongst cultural landmarks and national treasures (Appadurai 1996), it was not surprising that a government media authority sought inclusion of the city in this Hollywood spectacle. Domestically, the filming drew crowds as well; in contrast to the nighttime film shoot described earlier and most other local filming I observed, people flocked to watch *Batman* filming, which a Hong Kong newspaper reported as an exciting event for "cooperative" onlookers, quoting a local newspaper vendor who apparently claimed that "20% of his newspapers were unsold but it was a 'worthy sacrifice to have such a big movie shoot here'" (Crawford and Chan 2007). The *Batman* production even received permission from the government to close down some local businesses surrounding the escalator in the busy financial and tourist center of Hong Kong Island. Yet while the government welcomed the film shoot, criticism came from other quarters. In response to the production's request for businesses to keep the city lights on throughout the night for filming, environmentalists such as Gabrielle Ho, from conservation group Green Sense, balked, telling US media, "We welcome the filming of 'Batman' in Hong Kong, but why do we need to keep the lights on to make the backdrop? It seems like filmmaking is coming before environmental protection," (CBS/AP 2007). Media scholar Vicki Mayer points out the "imperial" quality of Hollywood runaways with their capacity for "occupation" of other places (2017, 46) bringing, in these cases, disruptions with implications for local public health and light pollution concerns.

The HKSAR government's accommodation of *Batman* also drew criticism from the local film community. The production was supplied police officers to manage bystanders while filming outdoors, leading Hong Kong film director Johnnie To Kei-fung to complain that the government "can offer 100% support for them, but they can't even offer 1% to us locals. It's discrimination, because we Chinese are not worth as much cash to them (Ho 2007)." Runaway productions thus represent not only the global coordinates of filmmaking, but iterations of Hong Kong's colonial and racial hierarchies. As historian Poshek Fu chronicles in the first half of the twentieth century:

> Racism was rampant in the colony, where both everyday life and social life was racially segregated. For example not only were the natives not allowed to live in certain residential neighborhoods, such as the Peak, which were marked out for the ruling elite … but they were paid less than whites were for the same work (2002, 66).

Local filmmakers discern the disparities in access to various locations and forms of assistance, which also publicly demonstrate to Hong Kong people that western productions, especially Hollywood ones typically fronted by white foreigners, receive preferential terms. Throughout my research in Hong Kong, complaints from film producers about the lack of assistance from the government's media authorities often arose (Martin 2017). A film producer criticized the double standards:

I would tell the police that my films were promoting Hong Kong, making it look good, but they didn't care. We'd get into huge shouting matches in the street and they'd waste my time. But when foreigners film a Coke commercial here, that's a different matter. Everything is available to them. (p. 117)

Stories of police harassing film crews on location while demanding to see location permits, instead of protecting the crews, were also recounted to me. According to a member of the Hong Kong Stunt Man Association, for several decades colonial and postcolonial government authorities had not adequately protected crews filming outdoors when threatened with theft and extortion by local gangs. A film director pointed out that outdoor filming comprises up to two-thirds of a lot of Hong Kong films, and so operating without the government's assistance and the free or low-cost protection of law enforcement for crowd control is challenging. Producers complained that they were forced to pay police offers to work as private security in their off-duty hours, without their police uniforms to scare gangsters off. As far back as 1992, film workers (including Jackie Chan) staged a public protest against Triad violence in filmmaking, which included disruptions on location (Passmore 2006). Meanwhile, the disruptions that runaway productions bring are dismissed by governments colonial and postcolonial. Together, this communicates to local onlookers, who include young people and "influencers" savvily photographing the city for their social media accounts, that local productions do not command the respect and institutional support that foreign, and especially Hollywood, ones do.

The Hong Kong government appears to host Hollywood runaway productions as a way to broadcast the city's lifestyle and leverage its soft power. This tactic invokes David Harvey's notion of urban entrepreneurialism, of which, Harvey notes, "the selling of the city as a location for activity depends heavily on the creation of an attractive urban imagery" (1989, 13). City governance entices consumption by "appear[ing] as an innovative, exciting, creative and *safe* place to live or to visit, to play and consume in" (9, italics added). Hong Kong politician Regina Ip recently asserted that despite political and pandemic troubles, "Brand Hong Kong" remains viable and compelling for Amazon and Kidman, stating "the film producer's choice of Hong Kong for location shooting, despite competition from other Asian cities, gives a big boost to its reputation as a *safe* and hospitable city" (Ip 2021, italics added). Meanwhile, another Hong Kong-based, expatriate-centered novel, *Exciting Times*, currently being adapted by Amazon Studios, may also film in the city. Although Harvey does not cite hosting Hollywood runaway productions as a tactic of urban entrepreneurialism, I contend that extending his concept to runaway productions in Hong Kong highlights the government's desire to sell the city's urban imagery as a means for it to further associate with transnational capital and tourism. Yet Hong Kong develops and displays an "image of prosperity" to hook Hollywood runaways even as the postcolonial urban governance continues to overlook the needs of local filmmakers (Harvey 1989, 14). Hong Kong researchers Chan, Fung, and Ng recommended the importance of the HKSAR government promoting a "*local* film culture" (2010, 5); however, the government prioritizes advertising its sights and offering its support services over nurturing its homegrown, and home-based, film talents – a Hong Kong boosterism achieved through Hollywood blockbusters, the government tethering itself to a US soft power resource in the hopes of touting its own.

Steinhart does point out that in the post–World War era, "[European] industries welcomed Hollywood production and financing at the same time that they resisted it (2019, 13–14). Regarding the *Batman* production, the HK Film Development Council chairman remarked that overseas film productions in Hong Kong could bring new technology and facilitate exchanges and employment opportunities, benefiting the local film industry. Numerous research participants spoke of gaining experience on runaway productions in Hong Kong; a production manager for instance cited the technical skills he and his peers gained by working on a blockbuster of this scale that they used on jobs elsewhere. Praise for the local film industry was also voiced by the Film Development Council, its chairman noting that "the *Batman* team would gain first-hand experience of the local crew's efficiency and professionalism" (news.gov.hk 2007). Yet when the chairman remarked that "Films for international release will also help showcase Hong Kong to an international audience," the government's stakes in accommodating overseas filmmaking in the territory became clear. Showcasing Hong Kong through global Hollywood is a coup for the city, less so its film industry.

Conclusion

Returning to the film director's comment that "Nobody cares about Hong Kong film," it is understandable that members of the local film industry feel that their efforts are marginalized given the lack of support from both the British colonial and the postcolonial

SAR governments. They see a discrepancy in their treatment compared to Hollywood runaway productions, which I suggest reveals the government's preferentialism toward foreign/Hollywood productions as a dimension of urban entrepreneurialism. These discrepancies are also discernible to residents of the city, including potential filmmakers, reinforcing a cultural hierarchy in global filmmaking.

Endnotes

1 To protect privacy, I do not use individuals' real names, unless they are mentioned in media reports, and obscure production details as needed.

2 The National Security Law was implemented in Hong Kong on June 30, 2020, after the 2019 protests to prevent and impose punishment for offences of secession, subversion, organization and perpetration of terrorist activities, and collusion with a foreign country (e-legislation.gov.hk).

3 To overcome challenges to "studying up," I also analyzed industry records (where available) and entertainment news.

4 Hong Kong does not offer tax credits or rebates for overseas productions; however, film crews that enter Hong Kong are not subject to customs duties on the importation of equipment (HK Film Services Office).

References

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

Box Office Mojo. 2006–2020. "Hong Kong Yearly Box Office." Accessed November 30, 2021.

CBS/AP. 2007. "Batman Needs Light in Hong Kong." CBS News, November 7.

Chan, Joseph M., Anthony Y. H. Fung, and Chun Hung Ng. 2010. *Policies for the Sustainable Development of the Hong Kong Film Industry*. Hong Kong Institute of Asia-Pacific Studies. Hong Kong: The Chinese University of Hong Kong.

Commerce and Economic Development Bureau. 2021. "CEDB Responds to Media Inquiries on Quarantine Exemption." Press Release, August 19. Accessed November 30, 2021 https://www.cedb.gov.hk/en/news/press_release/2021/pr19082021a.html

Crawford, Barclay, and Kelly Chan. 2007. "Crowds Flock to Greet Batman: Fans Throng Central as Lead Characters Suit Up For Action and Cameras Roll." *South China Morning Post.* November 10.

Curtin, Michael. 2007. *Playing to the World's Biggest Audience: The Globalization of Chinese Film and TV*. Berkeley: University of California Press.

Curtin, Michael, and Kevin Sanson. 2016. *Precarious Creativity: Global Media, Local Labor*. Berkeley: University of California Press.

Fu, Poshek. 2002. "Between Nationalism and Colonialism: Mainland Emigres, Marginal Culture, and Hong Kong Cinema 1937–1941." In *The Cinema of Hong Kong: History, Arts, Identity*, edited by Poshek Fu and David Desser. Cambridge: Cambridge University Press, 199–226.

Fu, Poshek, and David Desser. 2002. "Introduction." In *The Cinema of Hong Kong: History, Arts, Identity*, edited by Poshek Fu and David Desser. Cambridge: Cambridge University Press, 1–12.

Fu, Poshek, and Man-Fung Yip. 2019. *The Cold War and Asian Cinemas*. New York: Routledge.

Harvey, David. 1989. "From Managerialism to Entrepreneurialism: The Transformation in Urban Governance in Late Capitalism." *Geografiska Annaler: Series B, Human Geography*. Vol. 71(1): 3–17.

Ho, Vicci. 2007. "Hong Kong Crazy for *Batman*: Dark Knight Takes Hold of City." *Variety International*. November 11.

Hui, Mary, and Jane Li. 2021. "Amazon's Shows About Hong Kong Expats Couldn't Come at a Worse Time." *Quartz.* August 19.

Ip, Regina. 2021. "Relaunching Hong Kong: Let the Facts Speak for Themselves." *Hong Kong Free Press.* August 31.

Martin, Sylvia J. 2017. *Haunted: An Ethnography of the Hollywood and Hong Kong Media Industries*. New York: Oxford University Press.

Martin, Sylvia J. 2012. "Of Ghosts and Gangsters: Capitalist Cultural Production and the Hong Kong Film Industry." *Visual Anthropology Review* 28 (1): 32–49.

Mayer, Vicki. 2017. *Almost Hollywood, Nearly New Orleans: The Lure of the Local Film Economy*. Berkeley: University of California Press.

McGranahan, Carole, and John F. Collins. 2018. *Ethnographies of U.S. Empire*. Durham: Duke University Press.

Messeri, Lisa. 2016. *Placing Outer Space: An Earthly Ethnography of Other Worlds*. Durham: Duke University Press.

Miller, Toby, Nitin Govil, John McMurria, Richard Maxwell, and Ting Wang. 2005. *Global Hollywood 2*. London: British Film Institute.

Passmore, Sarah. 2006. "Triads and Film." *RTHK*, for *Broadcast on BBC World Service*, April.

Press Release. 2007. "Hong Kong Welcomes the Dark Knight Crew." news.gov.hk. November 9. Accessed November 30, 2021. https://www.info.gov.hk/gia/general/200711/09/P200711090179.htm

Scott, Allen J. 2005. *On Hollywood: The Place, The Industry*. Princeton: Princeton University Press.

Steinhart, Daniel. 2019. *Runaway Hollywood: Internationalizing Postwar Production and Location Shooting*. Berkeley: University of California Press.

Stokes, Lisa Odham, and Michael Hoover. 1999. *City on Fire: Hong Kong Cinema*. London: Verso.

Szeto, Mirana M., and Yun-chung Chen. 2013. "To Work or Not to Work: The Dilemma of Hong Kong Film Labor in the Age of Mainlandization." *Jump Cut* 55, Fall.

Meaning in the margins: Tracing global blockchain markets in local configurations

Alex Preda, Julie Valk, and Ruowen Xu

We started writing this a few days after Alex returned from ethnographic fieldwork in Hong Kong. This research trip required being on the road for two months, first doing a washout period in Bucharest, followed by quarantine in Hong Kong, then finally fieldwork itself. This was not Alex's first time in Hong Kong, but in fact the sixteenth. The day Alex boarded a flight back to London, another one of us (Ruowen) boarded a flight to Shanghai for an extended period of fieldwork in China. We plan another round in early 2022 in Japan as well, and in the US too, in addition to the ongoing work in London.

Why do we do all this? We run a research project on blockchain firms: for those readers who are perhaps less acquainted with the field, blockchain is a distributed digital ledger (there are several ways of building such a ledger, each with its own assumptions, modus operandi, and consequences) that, through its very properties, is global in nature. If there is something paradigmatic for global (financial) markets, then it is blockchain: by design, it is meant to facilitate existing global markets, create new ones, and make local markets global, or at least expand their reach. Finance is heavily involved in this process, not least in the flows of venture capital supporting blockchain creation and expansion, but also in migrating (and transforming) insurance, supply chains, art transactions, or systems of exchange to blockchain. It is also an apparently digital process, one that should be perfectly suited for what is called online or digital ethnography. And indeed, it is a process we have been following in online conferences, Twitter feeds, Discord and Telegram chats.

As we have discovered, such apparently uprooted, locality-less, exclusively digital processes – i.e., designing, setting up, assembling, running, and using blockchain – are always anchored in particular local practices, situations, configurations, and epistemic preferences. The boundaries where blockchain technologies interface with specific regional cultures and attitudes to technological change (not to mention with existing financial infrastructure and regulatory jurisdictions) are messy, emerging spaces. It is precisely these boundary spaces that require our presence, to witness them unfold and grasp the lived experience of those who operate within these spaces.

Blockchain is never abstractly global. Social science scholars have more recently pointed to its materiality – to server farms mining assets, transmission networks, and more. These material assets often are concentrated in specific locales, including specific cities around the globe. We should also point out here its anchoring in, among other things, local bodies of expertise accumulated over decades (e.g., with software engineering, financial, or legal expertise); local relationships between software engineers, finance professionals, lawyers, and managers; locally accumulated pools of capital; local understandings of regulatory priorities and of legal concepts.

This brings us to our main point and to the challenge that we want to discuss in this article: global markets, and the creation thereof, are not disjointed from local cultures. There is more than just one local culture involved in this process. How do we, as ethnographers, go about studying a truly global process in relationship to the manifold local cultures within which it is anchored? This challenge is not reducible to studying a (single) culture different from one's own: as we have mentioned, blockchain design, creation, setup, and operation take place simultaneously in several

Alex Preda is a sociologist working at King's College London. *alexandru.preda@kcl.ac.uk*

Julie Valk is a Postdoctoral Research Associate at King's College London. She has research interests in economic anthropology, the sociology of expertise, financial systems and specialised markets, Japanese society and culture, as well as clothing and fashion. *julie.valk@kcl.ac.uk*

Ruowen Xu is a Postdoctoral Research Associate at King's College London. Situated in Economic Sociology and Science and Technology Studies, Ruowen's research focuses on the societal impact of new technologies in finance and accounting, including blockchain, artificial intelligence and machine learning. *ruowen.xu@kcl.ac.uk*

local contexts. It is not reducible to simply working out the particular features of local culture(s) either: the challenge consists in working out how global processes emerge out of manifold local cultures at once.

Having said this, readers will wonder what our understanding of culture is. We will come to this later. We want to discuss first the makeup of our team, because we believe it does play a role in navigating various local cultures while upholding a certain sensibility for global phenomena.

None of us is anchored in a single culture; we all have, at several points in our professional lives, lived not only in different cultures but also in the interstices between them. One (Alex) is Eastern European, with experience of Germany, the UK, and the US, having done fieldwork in North America, Europe, and East Asia. One (Julie) is a dual citizen, British and French, brought up in France by British parents. She has a long-standing relationship with Japan, where she has lived, worked, and conducted extensive fieldwork. One (Ruowen) is Chinese, educated in Hong Kong and the UK, having lived in all these places and with fieldwork experience in mainland China. We all have experience in a multitude of local cultures, both professionally and in our private lives. This makes it easier not only to move across different cultures but also to recognize and appreciate their interstices, overlaps, and boundaries. We can talk meaningfully about the proper ways of handing out a business card in Tokyo or in Hong Kong, the proper way of walking out of an interview appointment in Tokyo, but also about how making interview appointments in Hong Kong differs from making them in London, for instance. In other words, we recognize the importance of knowing local interactional routines, and of adapting to them in our field interactions and beyond.

Nonetheless, we all have a strong interest in technology, materiality, and the digital. We recognize the global dimensions of the digital realm, irreducible to local interactional routines. This is also helped by the fact that one of us (Julie) is a gamer, and she (very usefully) keeps us up to speed on developments in the domain. We recognize that digital objects circulate, that they are exchanged in processes distinct from physically local markets. Take digital art, artifacts used by gamers, or contracts on a wide range of fractional property rights: all these are digital objects circulated and exchanged online within communities that span the globe.

Hence, while we know how to adapt to local interaction formats in our fieldwork, our ultimate interest is in analyzing the processes that create "the digital" as a domain sui generis: not just the "digital" broadly speaking, but digital global markets that deal in digital entities. During fieldwork, we heard repeatedly from our informants about the emergence of a digital world or, better said, worlds (supported by blockchain) that are not mere digital representations of physical processes, but something different. It is less relevant in this context whether our informants – software engineers, venture capitalists, business developers – are right or wrong. What is relevant, and worthy of investigation, is that they pointed us to a series of processes that they saw as exclusively digital, as a domain of its own situated next to and above physical worlds. And yet, while saying this repeatedly, our informants worked within particular, specific local contexts and local relationships and sustained a whole range of face-to-face interactions. Prima facie, there is a tension here, and it is worth investigating.

When we started this project, as a first step we wanted to better understand expertise. In a certain sense, what we are doing includes as a baseline an ethnography of collaborations between various forms of expertise: every blockchain firm requires a durable collaboration between software engineers and finance experts. And then legal expertise, business development expertise, and so on is added to them. Each and all these forms of expertise are local, in the sense that they are embedded within particular locales, in particular configurations. To give an example, London, New York City, or Hong Kong are nodes of financial expertise, given the sheer number of finance professionals working in these locales. However, they are also nodes of software engineering expertise. London is one simply because of the presence of software engineers graduating every year from a significant number of universities situated in a sixty-mile radius from central London and being absorbed into local fintech firms (not to mention inflows of expertise from outside London). In 2018, London was home to more than 350,000 engineers, the highest number in Europe (second was Paris with 268,000, see Ranger 2019). Knowing a local culture of financial expertise or of software engineers in blockchain became critical for our project. As we discovered, such cultures are not the same everywhere: the ways in which these two bodies of expertise relate to each other, the ways in which they perceive each other, and the ways in which they work together (or apart) are locally determined by a manifold of factors including flows of capital, perceived priorities in developing specific blockchain projects, and specializations decided in the local academic sector, to mention just a few.

When Saskia Sassen's *The Global City* was published thirty years ago (1991), she made the argument that global cities were agglomerations of service industries coalescing around and servicing core sectors such as finance. However, we can see global cities in a perhaps more decentralized fashion as local cultures of expertise relating to and interacting with each other. This certainly seems to be the case for blockchain.

Take for instance software engineers: as we discovered during our fieldwork, there are differences among local groups of software developers involved in blockchain enterprises in London, Hong Kong, or Tokyo. Tokyo, for instance, being an early adopter of cryptocurrencies, has a predominance of crypto trading platforms. Hong Kong, where regulatory barriers were kept up for longer, has fewer crypto trading platforms but more companies with expertise in gaming, which has become very relevant for some sectors of the blockchain economy. Compared with Hong Kong, London has less expertise in blockchain conjoined with gaming but significant expertise in payments, supply chain, or cybersecurity, among others. Additionally, while software developers tend to concentrate in London, Tokyo seems to outsource much of this work, while Hong Kong seems to collaborate more across the border with developers based in Shenzhen. This means that while each of these locales can be seen as a node of software expertise in relationship to blockchain, there are in fact significant differences in the ways this expertise is organized and oriented toward particular activities. As software developers in Hong Kong have expertise in blockchain and gaming, they are active in the field of NFT-based digital art and of collectibles as well. NFTs are non-fungible tokens, unique digital identifiers of digital objects that can be transacted online, supported by blockchain (a large amount of NFT transactions take place on the Ethereum blockchain). We do not see the same orientation of software engineering expertise in London or in Tokyo: a consequence of this is that Hong Kong seems to become (among others) a hub of NFTs and digital art, attracting not only venture capital but also prominent auction houses from around the globe.

A consequence of such orientations is that they generate particular issues, to which other local nodes of expertise will have to respond. Take cultures of legal expertise: both London and Hong Kong are common-law jurisdictions. With regard to blockchain and crypto assets, both jurisdictions share legal concerns about anti-money laundering and transaction transparency. Yet, in addition to these, the emergence of Hong Kong as a digital art and NFT hub raises specific legal issues that do not have a similar prominence in London. As we have mentioned, NFTs are unique identifiers of unique digital objects. A problem debated by legal practitioners in Hong Kong as a digital art hub is whether ownership of the unique identifier is the same as ownership of the unique digital object or not. Imagine you buy a pair of unique jeans and obtain a unique receipt. The receipt identifies the jeans as unique. What have you bought, legally speaking: the unique sales receipt, or the unique jeans? These are issues that have significant legal and financial implications, and that can redefine what it means to own art. In London though, other legal issues are at the forefront, related more to fractional ownership, use of NFTs in legal evidence, or cybersecurity, all domains where London's software developers are more active and have a significant presence. In Tokyo, as far as we have seen until now, issues of cybersecurity have been dominant with regulators, among other things due to some prominent hacks in the past. Thus, different (legal) perspectives and priorities arise as responses to what nodes of other expertise are doing.

These local cultures – be they engineering, or legal, or financial – have to be investigated close up if one wants to understand how blockchain develops and why some projects are situated in particular centers and others are not. The internal dynamics of blockchain firms, the ways in which they organize workflows, also depend on such local cultures and how they stand in relationship with each other. For instance, one of us (Alex) going to Hong Kong and making the rounds of various blockchain firms simply allowed us, as a baseline, to map the location of various firms upon the city: we learned where the engineers sat and where finance professionals sat, and where they overlapped. We learned where software engineers were recruited from. We learned about their interactions with each other, how they perceived each other, and how such interactions and perceptions impact the organization of firms. In parallel, other members of the team (Julie and Ruowen) were attending blockchain conferences in London, interacting with practitioners who build and use blockchain applications. We could swap notes in real time about the differences we were observing; for instance, about the involvement of large investment banks in blockchain efforts in London, which was different from what we were observing in Hong Kong.

This should have made clear that, for the purposes of the project at least, we do regard local cultures as locally evolved constellations of professional skills and relationships within and among groups of experts, together with local constraints and resources. These are provided among other things by flows of investments, perceptions of what is locally important and needed by way of blockchain projects, as well as local understandings of regulatory needs. Understanding how blockchain develops means understanding how these cultures have evolved and what their dynamic is, as well as how they stand in relationship to each other. These local cultures achieve gravitational force, not only in the sense that they manage to attract more capital and more expertise but also that a series of relevant activities gravitate in their orbit. For instance, to give but one example, some engineering expertise is outsourced to places like Vietnam or Eastern European countries, but this does not happen based on costs or on the convenience of being in the same time zone (or not exclusively in any case). It happens based on the gravitational pull local firms have developed, as well as on whether the outsourced expertise is core or not with respect to the firm, and on whether there is a need or not to intermediate between the forms of expertise involved in blockchain firms.

How do we, as ethnographers, get access to local cultures of expertise, be they in finance or software engineering, in various locales? These are cultures of professional groups that, to a large extent, are cosmopolitan and internationally mobile. While doing fieldwork in Hong Kong, for instance, one of us interviewed not only local software engineers who had worked in London or in the US for many years but also expats from Western Europe and North America who were working in Hong Kong. Accessing local financial or software engineering expertise is supposed to be difficult, either because of the busy-ness of the former or because of the "supposed shyness" of the latter. As we discovered, accessing local cultures of expertise is largely shaped not only by local interactional conventions, but also by the makeup of these cultures. For instance, being introduced to informants by a local professional organization can be essential in some locales. In some other locales, it may matter less than a network of personal and professional connections. Having a clear, public academic profile and a history of relevant academic work matters too. It also matters if the ethnographers have acquired a certain degree of conversational ability in the languages of the domain, such as finance or software engineering. When we started this project, we took (online) introductory classes in computer science. We also attended several online conferences on blockchain. Some of us at least had conversational ability in finance due to previous work on financial markets. All in all, accessing a local culture of expertise requires a certain degree of interactional expertise, i.e., the ability to speak the language of a domain (Collins and Evans 2007).

If we regard getting access to the field as intrinsic to the ethnographic work, then we had to situate ourselves on the margins of several expert cultures, in several locales, by connecting to professional networks, but also by acquiring basic abilities in speaking the languages of the domain (i.e., finance and software engineering). In this regard, it was relevant that we had, through our biographies, lived in several cultures. This was relevant not only with respect to recognizing and following local interactional conventions but – perhaps more important – with respect to the ability to situate oneself on the margins of a professional culture different from one's own, in a place different from one's own.

Conclusion

At least for the case at hand, we can make the argument that digital global markets in digital objects are emerging – we see them at work in the processes of designing, setting up, and running blockchains for finance, art, real estate, supply chains, and many more. This makes our investigative journey truly exciting. Yet, when talking about global markets, we should not forget that these are not untethered enterprises. They are anchored in local expert cultures that involve collaborations between different professional groups. Key to them are finance, software engineering, business development, and legal groups. Accessing these local cultures ethnographically can rarely if ever be done exclusively online. It requires mobility. It requires interactional expertise on multiple levels, from knowing local interactional conventions and routines to speaking the languages of these cultures, and the languages of these locales. It requires building professional connections and inserting oneself into professional networks, even if only on their margins.

Key to our project, and perhaps any project that deals with the tension between the global and the local, is the capacity to sit comfortably in the "spaces between" and the ability to stay with ambiguity. Much about blockchain has yet to be written in terms of exactly how it can affect the world as we know it. As we edge closer to seriously considering the propositions of this technology, analyzing how different locales, cultures, and professional pockets change, adapt to, and react to blockchain will be a task better undertaken from the front row seats, rather than simply on a screen. It is through the exploration of the nuance of different local cultures and local realities that we piece together the global blockchain market.

References

Collins, Harry, and Robert Evans. 2007. *Rethinking Expertise*. Chicago: University of Chicago Press.

Ranger, Steven. 2019. "London is still top for software developers, but European rivals are catching up fast." ZD Net. https://www.zdnet.com/article/london-is-still-top-for-software-developers-but-european-rivals-are-catching-up-fast/?cookie_consent=true

Sassen, Saskia. 1991. *The Global City. London, New York, Tokyo*. Princeton NJ: Princeton University Press.

Extractive masculinities: Bringing gender back into microfinance

Smitha Radhakrishnan

When Mohammed Yunus won the Nobel Peace Prize in 2006, he drew global attention to the potential benefits of lending small amounts of money to impoverished women in cooperative groups. His work in Bangladesh, in cooperation with the Bangladesh Rural Advancement Committee (BRAC), had lowered vulnerabilities for women in rural areas to a large extent, and appeared to be a promising method for addressing global poverty (2014). But Bangladesh's apparent success with microlending transformed our understanding of financial services for poor women worldwide by giving credence to a parable of female entrepreneurship leading to empowerment. This parable resonated with a wide audience across the world and across political spectrums. Furthermore, the idea that small loans were good for poor women transformed market-led development initiatives in banks, governments, and financial services startups. If we just gave poor women loans, the reasoning went, those capable, enterprising women will solve global poverty for us. For powerful financial institutions, the notion of microlending provided a "business case" through which to profitably access the unbanked "bottom billion" of the world's population (Roy 2012). By lending to women who were in relatively vulnerable positions in their communities, financial companies could count on attractive profit margins through a winning combination of high interest rates and reliable repayment. Over the past three decades, the largely charitable not-for-profit microcredit movement that began in Bangladesh has transformed into a profitable multibillion-dollar global financial industry, often integrated with state programs. In India, the commercial microfinance industry relies upon special regulatory arrangements with both state and national banking systems, a topic I explore in depth in my book.

Financial products targeting the poor have contradictory, and often adverse, effects on women borrowers, while disproportionately benefiting the financial institutions that are supposed to be "helping" them (Roy 2010; Mader 2015; Paprocki 2016; Karim 2011). But we still understand little about how for-profit microfinance works on the ground sociologically. How do the legal, institutional, financial, and political worlds of microfinance facilitate the constant supply of loans to working-class women? One particularly glaring lacuna is a thorough consideration of gender as a constitutive axis of power in the global microfinance industry. A substantial sociological literature informs us that gender significantly structures local and global institutions, workplaces, families, and financial flows (Roberts 2014; Pyle and Ward 2003; Acker 2004). Yet these insights have not yet been used to interpret microfinance, arguably the world's most pervasive development intervention.

In my research on India's multibillion-dollar microfinance industry, I center gender as a system of power operating at multiple scales and interlocking with other structures of difference, including caste, class, race, and geography. I show that the industry relies centrally on local and global constructions of gender inequality to function smoothly and remain profitable over time. In this essay, I draw from data collected for my new book, *Making Women Pay: Microfinance in Urban India* (2022), to illustrate how the Indian microfinance industry, through its connections with global and local cultural and economic flows, constructs extractive masculinities that allow privileged men to funnel economic value from caste- and class-disadvantaged women and make it look like selfless service.

Smitha Radhakrishnan is LuElla LaMer Professor of Women's Studies and Professor of Sociology at Wellesley College. She is the author of *Appropriately Indian: Gender and Culture in a New Transnational Class* (2011), and *Making Women Pay: Microfinance in Urban India* (2022), both from Duke University Press. *sradhakr@wellesley.edu*

The gendered extraction of value

Despite the apparent focus on women, the existing literature on market-led development neglects *gender* as a constitutive system of power, focusing instead on a relatively narrow understanding of *women* (Kar 2018a;

Karim 2011; Paprocki 2016; Sanyal 2014). All these approaches focus primarily or exclusively on borrowers and local cultural conditions to explain how and why womanhood and femininity work in a way that is compatible with economic and social exploitation, with microfinance acting as a "treatment" that may make things worse or better. Other approaches to market-led development identify the financially-driven interests of elites and global capital flows as the source and the justification for exploitation. Ananya Roy's (2010) powerful account of "poverty capital," for example, identifies the interests of the World Bank, powerful global financial companies, and corporations as coalescing around microfinance initiatives around the world. Roy identifies how racialized images of resourceful Third World women legitimize the profit-oriented programs of a new kind of hegemonic development consensus.

Building upon these framings, I follow the work of feminist political economists and feminist scholars of work and organizations to argue that gender structures the entirety of global microfinance, from its implementation with clients to its organizational structures to its global financial infrastructure. In this paper, I focus this message further to highlight how masculinity, and in particular the masculine identities of elite men, come to legitimize the extraction of value from women of all class and caste backgrounds, and particularly women clients. My focus on gendered value extraction and its legitimization questions persistent ideas in many areas of sociology, economics, and world-systems theory that gender is something that belongs to the "local" and the "cultural" and is subordinated to the dynamics of capital in the context of the global system. I briefly highlight two interlocking sites for this analysis: the masculine culture of Indian microfinance institutions (MFIs), and the (largely unsuccessful) attempts by them to transform the subjectivities of women borrowers.

Methods

Between 2011 and 2016, I conducted interviews and ethnographic work primarily with two leading MFIs in southern India, which I call Kanchan and Sowbagya. At Kanchan, I focused primarily on optional training programs for clients. I attended training sessions, studied training materials extensively, and interviewed trainers, corporate staff overseeing the training program, and borrowers who had experienced the training alongside a loan from Kanchan. As a point of pedagogical interface between MFIs and clients, training programs are a particularly interesting site at which to understand the formation of gendered subjectivities.

In the slums of Bengaluru and Chennai, Sowbagya was Kanchan's biggest competitor. I found that clients were loyal to Sowbagya. Many women I met in urban neighborhoods saturated with microfinance had taken loans from them for years. I made contact with Sowbagya through their head office and received permission to study their lending operations. Eventually, I also had the opportunity to engage with their new training program, which ultimately became a competitor of sorts to Kanchan's, and thus enhanced my understanding of how MFI-produced training materials produced new gendered subjectivities. As a part of my work with Sowbagya, I observed client home visits by branch staff and interactions between clients and staff at branch offices, and I conducted interviews with clients and staff at multiple levels of the organization. I interviewed employees ranging from a newly recruited loan officer to the founder and CEO of the company. The bulk of my fieldwork in India with Sowbagya and Kanchan took place in 2011/2012 over the course of six months.

In 2016, enhanced with greater knowledge and contacts, I returned to Bengaluru and Chennai to interview C-suite level executives at several other competing MFIs. These interviews gave me a broader view of the industry as a whole, its history, key players, and the impact of the changing policy environment on the experiences of clients and staff alike. In all, I conducted 122 interviews at every level of the industry with seven different firms, in addition to the ethnographic work described above. For the larger project captured in my book, I also analyzed the policies of the Reserve Bank of India and conducted additional interviews with lenders on the peer-to-peer lending platform Kiva.org. These data sources historicized Indian microfinance while also providing a transnational perspective on the industry.

The masculine culture of Indian MFIs

Perhaps the first notable gendered power dynamic in microfinance is that between borrowers and those who control microfinance programs. Borrowers in India are over 96 percent women, while men make up 88 percent of microfinance staff (Sa-Dhan 2018). At the C-suite level of leadership, there are almost no women in the industry. Although there are women in the upper echelons of Indian banking, and there were several important women involved in creating and implementing programs in Indian microfinance, over time I found that most of those women were edged out of strategic leadership roles as the industry has become more corporate.

Several educated women leaders in NGOs offered holistic microfinance services to poor women in the 1990s and early 2000s, including Vinatha Reddy and Kalpana Sankar. By 2010, the companies that these women founded had become largely commercial financial service companies, and the leadership of these new companies was comprised exclusively of men.[1] Many women I interviewed at the corporate offices of MFIs operated within the charitable or corporate social responsibility functions of their companies, while the strategic work was consolidated in the hands of powerful men from privileged backgrounds in banking and technology. The monopolization of power by elite men, far from being questioned, was widely accepted and even praised. In my analysis of newspaper reporting on influential MFIs, I found that, with the exception of occasional scandals accusing MFIs of exploitative lending, most coverage of individual Indian MFI CEOs was positive, regarding them as benevolent, Gandhi-like figures who had given up more lucrative opportunities to serve the poor.[2]

The masculine culture of microfinance institutions was not just about the disjuncture between leaders and clients. Within MFIs, I found a stark gender division of labor in which few women had opportunities to advance. There are several types of workers in MFIs: field staff who work directly with clients in their neighborhoods, including loan officers, recruiters, and trainers; branch staff who work at MFI branches to handle the disbursement of loans and various branch services; back-end staff who process customer and staff data and keep the computerized banking infrastructure intact; and the corporate staff who work at the head offices of MFIs that often operate in several states or across the country. While there is a slightly higher proportion of women working in back-end and branch positions, there are few women working as field staff in MFIs. Working in the field was considered masculine work because it required mobility throughout the city or countryside and constant interaction with clients and their families. Overall, the most recent data show that only about 12 percent of all MFI staff were women (Sa-Dhan 2018).

While the working-class men I met found opportunities to advance within the industry, the women I met rarely advanced beyond its lowest rungs. One employer I spoke to even said that she preferred hiring men as trainers and fieldworkers because they were less likely to be stymied by childcare or other household responsibilities that most men do not agree to shoulder. Ritu, herself a financial analyst who had been compelled by family circumstances to curb her career while her children were young, openly said that she avoided hiring mothers. Ritu felt that the discourse of women's empowerment went too far, keeping her from giving good opportunities to men. "I know my boys [men employees] will never go on maternity leave. We have to accept that women do these things, however good the reasons may be, the fact is that they do it ... When an employer says, 'all things are equal,' I would rather have a guy, which is already happening from time immemorial ... No, I cannot practice gender equality, much as I would like to." The interplay of individual attitudes, organizational practices, and cultures of class and gender inequality made it almost impossible for working-class women wishing to work in the industry to stay in it for long.

In my study of the internal organization of MFIs, I found expressions of masculinity closely aligned with what Raewyn Connell has termed hegemonic masculinity, the "institutionalized pattern of masculinity in the milieu of corporate management [that] involves a focus on competitive achievement and a certain ruthlessness in achieving personal and corporate goals" (Connell 2013, 92). The focus on profit and growth by increasing interest rates and loan sizes, even to the detriment of clients, was legitimated through gendered extraction. The women clients being served were constructed as needy and grateful, while women workers were understood as benevolent but unreliable. Privileged men, on the other hand, were presumed to be service-oriented, even when their actions were exploitative. Working-class men, in contrast, enjoyed some level of mobility within organizations, a topic that I explore in detail in my book. Not only was financial value extracted from the bottom of the class and gender hierarchy to the top, but symbolic value was extracted too, as women's enactments of gratitude and neediness, and in other cases success, legitimate the organizations that bring them commercial financial services.

The MFI environment reproduced masculine cultures of finance found around the world, while articulating that environment in a locally relevant way. That successful articulation of gender and class has allowed MFIs to be profitable and run smoothly. But how did global understandings of women's empowerment, entrepreneurship, and poverty impact how Indian MFIs viewed their own clients?

Producing gendered subjectivities

My study centrally focused on training offered to women clients and in particular on a set of training sessions that a US-based MFI's branch office in Bengaluru translated and adapted for the Indian MFI partner Kanchan. Although culturally adapted in terms of dress, language, and in some cases cultural references, the training transmitted the same message to poor and working-class clients in India as it did in Latin America, where this training had circulated for over a decade: women should "manage" themselves and their time, identify as entrepreneurs, and start small, home-based businesses that could provide additional income for their families. I identify this constellation of imperatives as the ideology of *working motherhood.* The ideology of working motherhood shored up women's primary roles as care providers but also encouraged them to earn a wage at the bottom of the labor market, ideally combining waged work or entrepreneurship with caring for the family. This message was particularly strong in Kanchan's training, but I found a similar message in another training program I studied carried out through Sowbaya (Radhakrishnan 2018).

The women clients I observed responded ambivalently to messages that asked them to rethink their identities as mothers and women; the ideology of working motherhood failed to resonate with most, who aspired to stable jobs outside the home while still being able to care for their children. When the message of working motherhood did resonate, it was often among the most privileged clients, who were relatively more educated than their peers and had access to other forms of income and capital. These privileges allowed them to take entrepreneurial risks. The cultural adaptation and translation of empowerment ideologies, then, did not necessarily effectively funnel global understandings of empowerment to local women. Rather, when MFIs carried out the acts of cultural adaptation and then subsequent presentation to poor women clients, they were able to improve their own reputation and shore up their legitimacy, both to local and global audiences.

On one particularly hot afternoon outside a large city in Tamil Nadu, a Kanchan trainer screened a video to women clients featuring a dancer in classical Bharatanatyam regalia. Set to instrumental music, the dancer mimed the daily tasks of an Indian housewife, including sweeping, making beds, caring for children, and running a store. The dance, adapted from a story about a ballet dancer in the Latin American version of the same training program, was meant to model persistence in a culturally relevant way for clients. It was meant to inspire clients to consider the idea that they were capable of doing housework, caring for children, and earning income from an entrepreneurial venture. But most of the audience did not understand the mimetic language of Bharatanatyam, which is more popular among upper-class groups.

At the end of the film, Nandini, the trainer, asked the audience what the message of the film was. After a long silence, a woman in the group admitted, "we did not understand the film, madam. You must tell us what it meant." Nandini explained the message in detail, and the gathered women nodded along but did not seem convinced of the message, judging from the subsequent discussion. After the training, I asked the women attending whether they found it useful, and the responses were lukewarm. As Kamala, a construction worker, put it, "all this is not for me."

During this training session, men from the local branch office were circled just outside, watching the women watching the video. These men were involved with Kanchan's lending operations and were impressed simply by the existence of the film. Even my research assistant and I were part of the spectacle. The very fact of the training affirmed the company's commitment to corporate social responsibility, and allowed for photo ops of women clients receiving world class training in a culturally relevant mode. The actual relevance of the film to clients' lives, however, was never a point of concern in company-wide discussions with upper management that I participated in. On the contrary, leaders involved in implementing the training insisted on the relevance and importance of the training, often drawing upon globalized tropes of the capable, entrepreneurial Third World woman, even in the face of evidence to the contrary with their own clients.

The uneven implementation of training for microfinance clients further highlights both the centrality of gender and class-based extraction in making microfinance work smoothly. Poor and working-class women clients give up their precious time for training that is not designed with their specific interests and needs in mind. Yet, working-class women's own meanings for their lives are resilient, even in the face of pressure to conform to ideologies dictated by decontextualized, racialized understandings of Third World femininity.

Conclusion

Local and global understandings of masculinity and femininity play a central role in the smooth functioning of the commercial microfinance institutions I investigated in India. Although scholars have previously noted some of the exploitative aspects of microfinance, they have tended to ignore the structural aspects of gender and class that the everyday operations of loan disbursal and repayment rely upon. My research underscores the importance of constructions of gender in constituting and legitimating the exploitative character of India's commercial microfinance industry. Vulnerable women face a complex financial ecosystem in which they must manage the terms of many competing products and forge a viable livelihood. Within the context of few social, economic, or political entitlements, access to loans at high interest rates and restrictive terms may, for many, provide a lifeline through which women clients can access a greater level of economic stability for their families. As a result, women clients may appear grateful for the services of MFIs and feel indebted to the privileged men who run them, who are otherwise highly praised within Indian society for their service to the poor. Attention to gendered constructions and the legitimization of extractive masculinity allows us to better understand the inaccuracy of these constructions. Privileged men in MFIs enjoy disproportionate rewards that follow a corporate rather than a non-profit or state-provided service logic, even though they are, in effect, providing financial services that the government should be providing to all its citizens at a reasonable cost. In contrast, working-class women clients pay exorbitant interest rates despite timely repayment, attend training that is not designed to meet their needs, and perform gratitude through polite gestures of deference to social superiors without necessarily receiving any long-term benefit.

I have also shown, however, that the exploitative dynamic at the core of microfinance's social and economic functioning is limited when MFIs attempt to produce new gendered subjectivities among clients, fusing expectations for mothering with expectations to earn a wage or start a home-based business. Women gather to attend training aimed at their transformation, often adapted from globally circulating programs that make gendered and class-specific presumptions. But in doing so they do not necessarily alter their existing conceptions of their own needs and desires, which are as diverse as the clients themselves. Their ambivalence, politeness, and ultimate refusal to adopt a "working motherhood" ideology speaks to the limits of gendered extraction. MFIs can provide exploitative financial services that women are inclined to embrace in the face of few other pathways to upward mobility, but they are considerably less successful in forcing their clients to embrace and internalize global scripts of Third World women as saviors.

It is past time for scholars and policy-makers alike to acknowledge that microfinance as it functions today in many parts of the world is more like a capitalist industry than a benevolent force of market-driven development. Once we can acknowledge the chains that link microfinancial actors to one another, we can better uncover the dynamics of exploitation, both financial and reputational, that allow it to function, and craft interventions that limit gendered exploitation and instead promote gender and class equity.

Endnotes

1 In the formal banking sector, powerful women leaders such as Bindu Ananth and Usha Thorat continued to shape the policy environment, however. Women have long had unique opportunities for advancement within Indian banks and in the financial environment in India more broadly, though their presence has not been a challenge to the patriarchal corporate environment (Kar 2018b).

2 For some examples of articles that praise MFI leaders, even while admitting there are issues with MFIs, see Rajshekhar 2011; Bhargava 2018; Ray 2016.

References

Acker, Joan. 2004. "Gender, Capitalism, and Globalization." *Critical Sociology* 30 (1):17–41.

Bhargava, Anjuli. 2018. "Why Vijay Mahajan's political career never took off." *Business Standard*, October 13.

Connell, Raewyn. 2013. "Organized Powers: Masculinities, Managers, and Violence." In *Men and Development: Politicizing Masculinities*, edited by Andrea Cornwall, Jerker Edstrom and Alan Greig. London and New York: Zed Books, 85–97.

Kar, Sohini. 2018a. *Financializing Poverty: Labor and Risk in Indian Microfinance.* Stanford, California: Stanford University Press.

Kar, Sohini. 2018b. "Securitizing women: gender, precaution, and risk in Indian finance." *Signs: Journal of Women in Culture and Society* 43 (2): 301–325.

Karim, Lamia. 2011. *Microfinance and its Discontents: Women in Debt in Bangladesh.* Minneapolis, Minnesota: University of Minnesota Press.

Mader, Philip. 2015. *The Political Economy of Microfinance: Financializing Poverty."* New York, NY: Palgrave Macmillan.

Nobel Media AB. 2006. "Nobel Peace Prize for 2006 to Muhammad Yunus and Grameen Bank." http://www.nobelprize.org/nobel_prizes/peace/laureates/2006/press.html , accessed 12 December 2016.

Paprocki, Kasia. 2016. "'Selling Our Own Skin:' Social dispossession through microcredit in rural Bangladesh." *Geoforum* 74 (2016): 29–38.

Pyle, Jean L., and Kathryn B. Ward. 2003: "Recasting our understanding of gender and work during global restructuring." *International Sociology* 18 (3): 461–489.

Radhakrishnan, Smitha. 2018. "Empowerment, Declined: Paradoxes of Microfinance and Gendered Subectivity in Urban India." *Signs: Journal of Women, Culture, and Society* 44 (1): 83–105.

Rajshekhar, M. 2011. "MFI Basix boss, Vijay Mahajan goes on 12-state padayatra." *Economic Times,* February 10, Business. Accessed September 25, 2019. https://economictimes.indiatimes.com/news/company/corporate-trends/mfi-basix-boss-vijay-mahajan-goes-on-12-state-padyatra/printarticle/7464423.cms .

Ray, Atmadip. 2016. "Samit Ghosh: Entrepreneur making Ujjivan Financial Serves a finance bank." *Economic Times India*.

Roberts, Adrienne. 2014. "Gender, Financial Deepening and the Production of Embodied Finance: Towards a Critical Feminist Analysis." *Global Society* 29 (1): 107–127.

Roy, Ananya. 2010. *Poverty Capital: Microfinance and the Making of Development.* New York: Routledge.

Roy, Ananya. 2012. "Subjects of Risk: Technologies of Gender in the Making of Millennial Modernity." *Public Culture* 24 (1/66): 131–155. https://doi.org/10.1215/08992363-1498001.

Sa-Dhan. 2018. *The Bharat Microfinance Report 2018.* New Delhi, India: Sa-Dhan.

Sanyal, Paromita. 2014. *Credit to capabilities: A sociological study of microcredit groups in India*. Cambridge: Cambridge University Press.

Book reviews

Arora-Jonsson, Stefan, Nils Brunsson, Raimund Hasse, and Katarina Lagerström (Eds.) · 2021

Competition: What it is and why it happens.

Oxford: Oxford University Press

Reviewers Ana Rogojanu, Georg Wolfmayr
Department of European Ethnology, University of Vienna
ana.rogojanu@univie.ac.at
georg.wolfmayr@univie.ac.at

The volume "Competition. What it is and why it happens," edited by Stefan Arora-Jonsson, Nils Brunsson, Raimund Hasse, and Katarina Lagerström, is an inspiring contribution to the conceptual discussion of competition in the social sciences and beyond. Drawing from contributions to two conferences, dating back to 2017 and 2019, it unites a wide range of empirical studies from disciplines such as sociology, anthropology, management and organization studies, accounting, educational studies, and philosophy, which are framed by a strong theoretical introduction and conclusion centred around the question of how precisely competition emerges. This constructivist approach, which, instead of taking competition for granted, directs its attention towards the elements and processes leading to the establishment and maintenance of competition in specific contexts, introduces an interesting shift of focus in the current literature on competition which is, in wide parts, dominated by discussions regarding the effects of competition and competitization. In social science literature on competition, a constructivist approach is, of course, not entirely new. However, this volume adds a very precise conceptualization of competition to the debate and illustrates how this can be studied empirically.

The theoretical foundation of the volume is laid by Stefan Arora-Jonsson, Nils Brunsson, and Raimund Hasse in their introduction, but their constructivist conceptualization of competition is further expanded through other empirical-theoretical contributions in the book. In an attempt to develop an alternative to existing theoretical approaches from economics, management, and sociology that tend to neglect the origins of competition, the editors put emphasis on the constructed nature of competition and propose understanding competition as a particular relationship in which *"a focal actor desires something that this actor perceives as scarce, because of a belief that other actors have the same desire"* (p. 12, original emphasis). The question of how actors, their relationship, scarcity, and desire as the key elements of competition may or may not connect is taken up in the next chapter in which Daniel Sands, Gino Cattani, Joseph Porac, and Jason Greenberg discuss how market boundaries are "continuously defined, contested, and redefined" (p. 26). Complementing analytical perspectives from economic as well as organizational literature with a sense-making approach in the analysis of competition between restaurants in New York City, they show that there are considerable differences between the competitive relationships perceived and constructed by the competitors themselves and descriptions of competitive relationships in the field based on the other factors such as formal overlap of menus and prices. This points to the constructed nature of competition that cannot be described in a single objective manner.

The following two chapters develop theoretical ideas on how precisely competition arises. Using the examples of Christmas decorations and fashion, Patrik Aspers analyses cases in which competition emerges spontaneously and unintendedly through a process which he calls "mutual adjustment of actors" (p. 49). Although he describes this kind of competition in opposition to organized forms of competition, he also shows how competition by mutual adjustment can become intertwined with these. The aspect of organization is further developed in another chapter by Arora-Jonsson, Brunsson, and Hasse who state that specific modern institutions, such as a globalised economic order, a social order characterized by options for social mobility, or the evocation of new desires in consumption, promote the key elements of competition. However, for competition to emerge, the authors argue, organizational efforts may be needed. Extending Simmel's classic triad of two competing parties and a third adjudicating party, they bring into play a so-called fourth party that is responsible for decisions regarding membership, rules, monitoring, and sanctions, but in some cases also needs to establish some of the missing elements of competition. This process is, however, far from straightforward: Sometimes competition arises from organization as a side-effect and very often different actors involved in the construction of competition, e.g. competitors, third parties and fourth parties, do not agree on whether a situation is competitive or not.

Altogether, the contributions to the volume examine competition in a variety of empirical fields, reflecting the book's basic approach that competition cannot be reduced to economic markets. The thematic focus is on competition in the field of education, both between schools (chapter 5) and between students (chapters 6 and 10), on the role of competition within organizations such as multinational corporations (chapters 11 and 12), and between organizations and companies in the fields of gastronomy (chapter 2), food waste (chapter 7), and auditing (chapter 8). Other areas in which competition is studied include topics as diverse as Christmas decorations (chapter 3), fashion (chapter 3), sports (chapter 6), financial journalism (chapter 9), and a DIY (do-it-yourself) biology community project participating in a contest (chapter 9). While the chapters all follow the book's pivotal idea that competition must be constructed through a variety of efforts and even then does not necessarily work, some chapters apply this approach more convincingly than others. Although the emphasis on the construction of competition reasonably leads to empirical cases where competition is not yet or no longer established, in some cases it remains unclear why the situations described should be understood as competition at all.

We want to single out just one chapter that applies the basic concept of the volume in an excellent way and thus illustrates the usefulness of the approach – Søren Christensen and Hanne Knudsen's contribution on *The organization of competition and non-competition in schools*. The authors are interested in competition in the classroom and how teachers try to enforce but also to reduce competition. While competition is one of the oldest techniques for reinforcing learning in schools and played an essential role throughout the history of (Western) education, the purpose of teaching was reconceived after WWII. Students should be educated into democratic citizens capable of cooperation, dialogue, and mutual understanding and no longer compete against each other. Today the situation is again different: While the primary concern of education is to maximize learning, the role of competition in achieving this goal is somewhat unclear. Christensen and Knudsen pursue this question based on a study in a contemporary Danish classroom. Using the example of an educational computer game, they show how competition could be strengthened by introducing a class wide ranking system, which made the former individual playing for rewards of the game (stars and trophies) a social concern. Nevertheless, the ranking system did not result in full-fledged competition since the teacher did not reward higher ranking with more recognition. Instead, students could decide if they wanted to compete or concentrate on their individual learning. By recognizing these different ways of relating to a concrete form of competition, the chapter shows exemplarily how competition is constructed and how this process is characterized by ambivalence and unpredictability and is embedded in a historical context.

At the end of the volume, the editors synthesize the results of the empirically oriented chapters in a very useful way. They discuss how competition is constructed in the cases presented and point out that competition often relies on (already) institutionalized foundations such as modern notions of actorhood. While in many cases competition is the result of organizational efforts, in others competition is an unintended outcome. Sometimes it might even be difficult to avoid competition. The editors also emphasize that there might be multiple types of competition for different kinds of goods simultaneously, an "ecology of competitions" (p. 224), and that there might be trade-offs between them. As in the introduction, they point to asymmetries in construction of competition between the actors involved, be they competitors, third parties, or fourth parties. Moreover, they address possible consequences of competition, such as the attraction of attention as a social drama, the neglect of goals other than winning the competition, the loss of autonomy or the weakening, but also the reinforcement, of conflicts. Finally, the authors emphasize that it seems more difficult to eliminate competition than to introduce it.

In sum, the volume is a valuable addition to competition research. It is not only a collection of contributions on a widely defined common issue, but rather a fruitful discussion of a phenomenon and a theoretical approach to this topic from different perspectives that are well linked to each other and develop the approach further. In particular, the distinction of a fourth actor should be emphasized, which is a helpful contribution that allows for greater accuracy in the analysis of competitive constellations. The downside of the volume's coherence is that it leaves little room for a critical discussion of the theoretical foundation and most contributions adopt it as a common base that is partly expanded, but not really challenged in itself. For example, it should be noted that the volume takes a specific approach to the constructedness of competition that pays little attention to the material aspects of construction, as do, for example, the authors of the performativity approach, who analyse the materiality of market competition. Interestingly, the book's claim that the discussion of competition beyond the economic realm is a novel approach can be questioned when looking at a number of recent publications from the fields of cultural anthropology, history, or sociology, e.g. in the German-speaking context (Bürkert et al. 2019; Jessen 2014), which deal with competition in a wide range of non-economic contexts. In any case, the volume is an interesting step towards a well-founded theoretical discussion of an important phenomenon.

References

Bürkert, Karin, Alexander Engel, Timo Heimerdinger, Markus Tauschek, Tobias Werron. Editors. 2019. *Auf den Spuren der Konkurrenz. Kultur- und sozialwissenschaftliche Perspektiven.* Münster, New York: Waxmann.

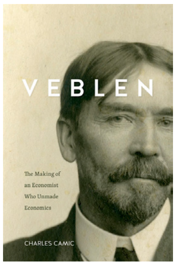
Jessen, Ralph. Editor. 2014. *Konkurrenz in der Geschichte: Praktiken – Werte – Institutionalisierungen.* Frankfurt am Main, New York: Campus.

Charles Camic · 2020

Veblen: The Making of an Economist Who Unmade Economics.

Cambridge, MA: Harvard University Press

Reviewer Timur Ergen
Max Planck Institute for the Study of Societies, Cologne, Germany
ergen@mpifg.de



Reading the introduction of Charles Camic's *Veblen* may leave an aftertaste of label fraud. To many sociologists – and particularly many economic sociologists – Thorstein Veblen is one of the canonized classics of the discipline. While written by a sociologist, *Veblen* deals with Veblen as a research subject, not with Veblen's output as part of sociology's theoretical toolkit. A second obvious classification – that this must be a biography, then, written by a sociologist – is also slightly misleading. After all, the book leaves out the genre-typical deep detours into the influential thinker's private and romantic life as well as his last twenty-five years.

Veblen: The Making of an Economist Who Unmade Economics instead is a masterful piece in the sociologies of knowledge, ideas, and science. Camic's aim is to provide a historical reconstruction of the social constitution of Thorstein Veblen as a resourceful knowledge maker and innovator, embedded in his social environment, time, and place.

The theoretical argument underlying this historical account relies heavily on what the book calls *knowledge-making practices*. By tracing him through the emerging American research university system and economics field, Camic demonstrates how Thorstein Veblen acquired the intellectual tools to materialize as the iconoclastic scholar and social critic that became canonized in the 20th century. The mechanism of practice acquisition is called *repetition-with-variation*. In different contexts, knowledge domains, institutions and academic relationships, Veblen was confronted with a core set of intellectual practices, incrementally solidifying into what Camic calls an "*academic second nature*, which the budding knowledge maker increasingly takes for granted as the right way to construct knowledge, regardless of the problem at hand" (p. 41, emphasis added.)

The major opponent of Camic's account is the long-standing theory of Veblen's scholarly style as emerging from his outsider position in turn-of-century academia and U.S. society more broadly. The portrayal of the outcast Norwegian immigrant, developing a sharp eye for the idiocy of his "host society's" mores, has emerged in the 1930s and rarely been fact-checked. Camic calls this type of explanation *overhang narrative* and finds it in a range of important biographies. He challenges it by demonstrating how much of an academic "insider" Veblen was, working with many of the most influential thinkers of the time, and by tracing how core styles of Veblen's thought were omnipresent in his environment.

The book consists of six major empirical chapters, sandwiched by a programmatic introduction and theoretical chapter and a brief conclusion mainly dealing with Veblen's later years and legacy. The empirical chapters seamlessly switch between representations of Veblen's personal life, educational and professional journey, and the development of American society and thought. The ease of presentation and breadth of information alone makes *Veblen* a joy to read. Especially the reconstructions of educational experiences is of impressive depth and detail, down to individual syllabi and class notes.

Chapter 3 sketches the history of the Veblens' immigration to the U.S. and family life as Northwestern farmers. It quickly moves on to Thorstein Veblen's years in school and at the just-established nearby Carleton College, where Veblen studied extensively with Germany-trained economist John Bates Clark. Camic outlines how studying the classics brought students into contact with confrontational intellectual styles as well as historical thinking. Moreover, Carleton brought Veblen, an exceptionally good student, to study the professionalizing natural sciences and emerging evolutionary thinking. Chapters 4, 5, and 6 trace Veblen's educational trajectory through Carleton, a brief teaching stay in Madison, Johns Hopkins, and Yale University.

While increasingly zeroing in on philosophy and political economy as intellectual foci, Veblen came into extensive contact with some of the country's most influential intellectuals. As Camic points out, many of the "Veblenite" features of Veblen the later thinker were in circulation at these young institutions: the valuing of the creation of new knowledge, a historical mode of thinking about economy and society, evolutionary conceptions of institutional development, a confrontational mode of thinking and arguing, and the routine distinction between socially productive and unproductive activities.

Potentially the most informative of the book, chapter 7 traces Veblen's route through Cornell University, where he went for a second PhD, towards a teaching position at the newly established University of Chicago. Camic demonstrates how Veblen transitioned to becoming a professional knowledge producer at Chicago, for the time being working between the factions of the early American economics profession's infighting. Chapter 8 shows how Veblen put his acquired practices to use to intervene in the field, produce "economic theory," and launch attacks on received wisdom. Focusing *Theory of the Leisure Class* and *Theory of Business Enterprise*, Camic argues that Veblen's capabilities for becoming a leading academic and social critic should be understood as the result of thousands of hours of layered practical experiences.

Veblen: The Making of an Economist Who Unmade Economics has been extensively reviewed as a biographical treatise. A casual survey of these reviews suggests a generally very favorable reception in this genre. As a piece of historical sociology, *Veblen* has been praised as exemplary as it tells history "from the past" (Andrew Abbott): it traces the emergence of Veblen the influential economist through the contingencies of his upbringing, rather than selecting explanatory episodes from the vantage point of the final outcome. I would like to add a third element of praise that connects to general social theory and economic sociology. In earlier work, Charles Camic has been among the major proponents of recovering the notion of *habit* from the behaviorist notion of quasi-automatic routine. In Camic's reconstruction, Veblen emerges as an entrepreneurial, innovative figure by creatively applying recombinations of acquired habits to new problems. *Veblen* may be of interest to scholars in economic sociology investigating innovation and entrepreneurship as it outlines a genuinely non-behaviorist way to think about the habitual bases of creativity.

Marlène Benquet, and Théo Bourgeron · 2021

La finance autoritaire. Vers la fin du néolibéralisme.

Paris: Raisons d'agir

Reviewer Clément Fontan
Professor at the Université Catholique de Louvain (UC Louvain)[1]
clement.fontan@uclouvain.be

Does Brexit represent one of the first electoral victories of a new group of financial actors seeking to impose a libertarian-authoritarian regime on a global scale? Marlène Benquet and Théo Bourgeron's short book answers this question in the affirmative, using a three-step approach.

In their first chapter, the authors underline that two-thirds of the donations made by the financial sector during the Brexit referendum campaign were directed towards the Leave camp (p. 39). More precisely, the donations reveal a confrontation between two distinct groups of financial institutions (p. 44–45): the actors of the first financialization (banks, institutional investors, insurance companies, etc.) and those of the second financialization (hedge funds, private equity funds, etc.). While the first group of actors directed their donations to the Remain campaign (81 percent), the second group mainly financed the Leave campaign (79 percent) (p. 48). Among the donors to the Leave campaign, a "handful of men" played a decisive role: four hedge fund managers alone made 55 percent of the payments to Vote Leave Ltd (p. 50).

The second chapter of the book carries out a socio-historical analysis of the shift between the two regimes of financialization. The actors of the first regime gained a prominent position during the wave of financial deregulation in the 1980s, driven in particular by the Delors Commission. However, this "political regime of financial accumulation" (p. 13) was quickly weakened by the emergence of new financial practices in the US and competition from tax havens. These pressures pushed the actors of the City of London to find new ways to increase their profits, leading to the development of a "second finance," of which hedge funds are the emblematic representatives. However, the growth of these new financial institutions suddenly slowed down from 2008 onwards, following the financial re-regulation measures taken by the European authorities in response to the financial crisis. In reaction, the actors of the second financialization then sought to sever their ties with both the UK political authorities and the "neo-liberalism" of the European Union, which had become too constraining (p. 72).

In the third chapter, the authors build on these observations by arguing that the accumulation regime of the neoliberal EU is gradually being replaced by an authoritarian libertarian regime. Moreover, according to the authors, the elections of Donald Trump, Jair Bolsonaro, and Viktor Orban are victories for these actors of the second financialization, who seek to emancipate themselves from the institutional architecture of neoliberal regimes. The doctrine promoted within this new ecosystem is that of economic libertarianism, whose political side is authoritarian. This combination makes it possible to curb any democratic demands that would oppose pushing financialization further into economic sectors that do not yet follow such logics, such as the National Health Service or ecosystems. According to the authors, these new dominant elites dare to emancipate themselves from democratic logics because there are no other credible elites competing with them for power (p. 125). In fact, the actors of this new political regime of accumulation would no longer even bother with the democratic *illusio* to legitimize their domination. They are then supposed to follow a "kind of elite survivalist ideology or nihilistic hedonism" (p. 135), whereby they would enjoy the material life of this world before it collapses.

The paradox raised by the authors at the beginning of their book is stimulating and intriguing: Why are some City players committed to Brexit when it might weaken their financial profits? The analysis of the financing of the Leave campaign and its ecosystem is clear and compelling, and provides stimulating insights into the struggles within UK financial capitalism. However, the explanations put forward by the authors to address this paradox are not based on sufficiently robust empirical material and do not address many of the current debates in political economy.

First, the distinction made between two groups of financial actors, supposedly representing two moments of financialization, is questionable. Indeed, since at least the beginning of the 1990s, financial innovation and deregulation have led to a growing interconnection between regular banking institutions and shadow banking (Gabor and Ban, 2016, Tooze 2018). For example, the first signs of the 2007 financial crisis materialized when one large universal bank, BNP Paribas, froze three of its associated hedge funds that were heavily exposed to subprime. Furthermore, some of the choices made by the authors are questionable: "passive" investment funds, such as BlackRock or Vanguard, are classified among the losers of the first financialization, whereas many studies emphasize that they were the main winners of the post-crisis period (Fichtner et al., 2017).

Second, the authors lack coherence in their analysis of the effects of European economic integration, which initially led to the deregulation of the financial systems and then, after 2007, to the divorce of the City's players because of re-regulatory initiatives. However, the sources of financialization are as much national as supranational (Lemoine, 2016) and financial re-regulation has been less intense on the European continent than in the UK (James, 2018).

Third, the authors claim the existence of a causal link between the electoral victories of "libertarian-authoritarian" actors and the desires of financial actors for a change of political regime, without much caution. In fact, the reciprocal influence of economic and non-economic factors on voting for far right-wing nativist parties is not really addressed, even though these issues form the core of a growing and vibrant research agenda (Berman, 2021). Moreover, the authors do not provide data, nor do they refer to other empirical work, on the possible links between the actors of the second financialization and the electoral campaigns of Trump, Bolsonaro, or Orban.

In sum, while the book is convincing in the core of its analysis of the financing of the Brexit, the thesis of the replacement of the neoliberal regime by an authoritarian libertarian regime remain to be demonstrated.

Endnote

1 This review was originally published in French in the *Revue française de science politique* 71 (4), 627–628 (2021).

References

Berman, Sheri. 2021. "The Causes of Populism in the West." *Annual Review of Political Science* 24*:* 71–88.

Fichtner, Jan, Eelke M. Heemskerk, Javier Garcia-Bernardo. 2017. "Hidden Power of the Big Three ? Passive Index Funds, Re-Concentration of Corporate Ownership, and New Financial Risk." *Business and Politics* 19 (2): 298–326.

Gabor, Daniela, and Cornell Ban. 2016. "Banking on Bonds: The New Links Between States and Markets". *JCMS: Journal of Common Market Studies* 54 (3): 617–635.

James, Scott. 2018. "The Structural-Informational Power of Business: Credibility, Signalling and the UK Banking Reform Process." *Journal of European Public Policy* 25 (11): 1629–1647.

Lemoine, Benjamin. 2016. *L'ordre de la dette. Enquête sur les infortunes de l'État et la prospérité du marché.* Paris: La Découverte.

Tooze, Adam. 2018. *Crashed. How a Decade of Financial Crises Changed the World.* New York: Viking.

economic sociology.
perspectives
and conversations

Editors

1999–2000	Richard Swedberg
2000–2001	Johan Heilbron
2001–2002	Jens Beckert
2002–2003	Frederic Lebaron
2003–2004	Patrik Aspers
2004–2005	Olav Velthuis
2005–2006	Olav Velthuis
2006–2007	Nina Bandelj
2007–2008	Patrik Aspers
2008–2009	Andrea Mennicken
2009–2010	Philippe Steiner
2010–2011	Nigel Dodd
2011–2012	Vadim Radaev
2012–2013	Rainer Diaz-Bone
2013–2014	Sophie Dubuisson-Quellier and Pierre François
2014–2015	Asaf Darr
2015–2016	Zsuzsanna Vargha
2016–2017	Sascha Münnich
2017–2018	Olivier Godechot
2018–2019	Aldo Madariaga and Felipe González López
2019–2020	Akos Rona-Tas
2020–2021	Anita Engels
2021–2022	Cheris Shun-ching Chan

econsoc.mpifg.de · ISSN 1871-3351

Editor Cheris Shun-ching Chan · University of Hong Kong · cherisch@hku.hk
Book reviews editor Sebastian Kohl · Max Planck Institute for the Study of Societies, Cologne · kohl@mpifg.de
Editorial board Patrik Aspers · University of St. Gallen · patrik.aspers@unisg.ch· Jens Beckert · Max Planck Institute for the Study of Societies, Cologne · beckert@mpifg.de · Alevtina Guseva · Boston University · aguseva@bu.edu · Johan Heilbron · Centre de Sociologie Européenne, Paris · johan.heilbron@wxs.nl · Richard Swedberg · Cornell University, Ithaca · rs328@cornell.edu
Aim *economic sociology. perspectives and conversations* provides information for scholars interested in economic sociology. The publication is driven by the idea of free access to information and open communication.
Contributions Please send contributions, suggestions and input to the editor.
Publishing information *economic sociology. perspectives and conversations* is part of *economic sociology_the european website*, which is maintained by researchers and staff of the Max Planck Institute for the Study of Societies in Cologne. It is published three times a year as a PDF document. The PDF can be downloaded free of charge. Back issues are available on the website.
Subscription You can receive *economic sociology. perspectives and conversations* via email. Please subscribe at econsoc.mpifg.de -> Subscribe
Editorial office Max Planck Institute for the Study of Societies · Paulstr. 3 · 50676 Cologne · Germany

© by the authors