

## Welcome Remarks

Professor Magnus Marsden (University of Sussex Asia Centre)

Respected Officials, Dear Friends and Guests, Ladies and Gentlemen

My name is Magnus Marsden and I am a Professor of Social Anthropology at the University of Sussex. I am also the Director of the University of Sussex Asia Centre.

It is an enormous pleasure to welcome you to this international seminar at the Yiwu College of Commerce and Industry. The meeting will discuss findings of the project Yiwu: Trust, Commodities and Global Traders in a Chinese International Trade City and put these in the contexts of a wider context.

The project is now in its final year. With the support of the Yiwu Commercial and Industrial College and the China International Electronic Commerce Centre we have conducted intensive research over the past four years in Yiwu and its connected outposts and are currently in the process of publishing our findings.

I would like to take this opportunity to thank both of our partners in China for their sincere and unflinching support for this project. It would have been impossible for this project to have been as successful as it has without your support and friendship. I would also like to say that we hope the final year of this project will not be the end of our relationship but rather the bridge to a long-standing series of interactions over the years that come.

Let me recap briefly about the origins of the project. The project is funded by a grant from the European Research Council. The project's principal host is the School of Global Studies at the University of Sussex in the UK. The project also enjoys partnerships with the University of Copenhagen (Denmark), the University of Cambridge (UK), and the Royal Holloway College, University of London (UK).

Before handing the floor to the other eminent speakers in today's event, I will offer some brief contextual remarks about the ideas that inform today's conference.

Our focus this year is on the concept of trust and its relevance to understanding trading networks, as well as the nodes, such as Yiwu, in which these are anchored.

In many respects, the role played by trust in long-distance trade is the bread and butter of sociological theory. Scholars have for long emphasised that the functioning of trading networks requires traders being able to trust one another. This is especially the case in long-distance trade. Long-distance trade involves the movement of goods over different political territories, cultures and societies, as well, historically, over contexts across which communication was both slow and difficult. As a result, the study of long-distance trade has come to be regarded as an important window not only to understanding economic activity and historic forms of globalisation but also the nature of trust more generally.

Much of the work on trust's relationship to trade has sought to identify the fundamental grounds upon which relationships of trust are established.

Some studies have emphasised the importance of culture for trust. The particular notions that specific cultures and communities have of 'friendship' for example have been shown to play a critical role in explaining why some communities thrive in the field of trade and others do not. Likewise,

shared commitment to a single culture – often in terms of membership of an ethnic group – is also widely held in the literature to promote strong degrees of trust within a network or community.

Other work has emphasised the importance of religion to trust. Religious traditions may instil ethical practices that predispose the adherents of particular religions to foster trust with one another. Similarly, sharing a particular religious identity is also said to promote cohesiveness and trust within a network. Many scholars have identified specific religious networks that have been fundamental to the emergence of long-distance trade and commerce and to global interconnectivity.

Perhaps the core issue, however, in the study of trust and trading networks is the role of kinship. It is almost a truism that kinship forms the bedrock of relationships of trust, especially in communities engaged in long-distance trade, as the notion of ‘the family business’ so clearly suggests.

But such forms of trust also rely on institutions and institution-builders. Institutions may encourage the flourishing of relationships of trust, functioning as spaces in which individuals and communities are able to pool knowledge and information. Alternatively, institutions may act to punish transgressions of trust thereby reducing the future likelihood of such violations. Institutions are also important in the creation of shared values and sensibilities that promote a network’s coherence and thus long-term durability.

Such approaches have been very helpful in our attempts to understand the range of trading networks active in Yiwu. We have consistently found it helpful to make comparisons between networks in Yiwu and those studied by historians.

But the project findings complicate dominant trends in the wider sociological and historical literature on trust in three important respects.

First, we treat trust not as an abstract concept but, instead, something that traders actually do in their everyday lives. As such, rather than seek to excavate the ideas of trust held by the traders, we have addressed the specific practices they deploy to fashion relationships of trust, such as shared travelling and eating, as well as the entrustment of cash for ‘safe keeping’.

Focusing on such specific practices has brought our attention to the ways in which relationships of trust are often not bound by culture, kinship, ethnicity or religion but, rather, cross-cultural. A discussion of the Futian market that does not recognise the importance of goods loaned on a credit basis by Chinese merchants to foreign traders would be incomplete, for example. Our findings also challenge the notion that levels of trust are higher within specific trading networks than across them: in some communities ‘outsiders’ may often be regarded as being more trustworthy than ‘insiders’. This highlights an important point about trust: it is always specific to particular risks. A merchant may prefer to deal with an “outsider” not because they trust them in general, but because they regard them as less likely to exploit commercially sensitive information. Social actors do not “trust” each other in the abstract, but only in relation to specific issues. Because the risks which merchants confront are varied and complex, the types of trust relation that they build, and the ways that they do so, are necessarily varied. Far from always being the outcome of long-term relationships, building relationships of trust also requires individuals taking advantage of unexpected opportunities and forging ties with people little known to them.

This finding relates to a third and more general issue – the ubiquity of the experience of mistrust to the lives and practices of our informants. We have found that traders regard the lived experience of mistrust as central to their experiences. Being a successful trader entails not merely establishing relationships of trust, but also navigating and surviving climates characterised by mistrust. It would

be easy to think of mistrust as the negative corollary of trust. Yet we have come to see how the experience of mistrust plays a positive role in the narratives that many trading communities tell about their success in the field of trade. A healthy degree of mistrust is widely regarded as being an important attribute of a trader. It allows traders to make prudent decisions about with whom to and not to trade.

There are several ways in which our findings relating to trust are of relevance for policy makers working.

Most clearly, trade of the type practiced by many communities in Yiwu flourishes in environments pregnant with multiple spaces and institutions. These must include those that are formal and those that are informal. Such spaces are critical because they provide the background against which traders build shared sensibilities. They are also material contexts in which traders confidently share information with one another.

We also think that it is important not to see breakdowns of trust simply as being a negative aspect of life that requires a solution or is a reflection of a deeper problem. It is in the context of such breakdowns of trust that traders learn the value of healthy forms of mistrust, as well as build institutions that are important for the future stability of their networks.

I wish you a most enjoyable conference and hope very much that you are able to leave the event with fresh insights and ideas. We also look forward to hearing as many constructive suggestions as possible about the project, and look forward to receiving your advice and suggestions. The entire project will benefit greatly from your collective insights and contributions.

Thanks once again to you all for your attendance.