

## **Re-Conceptualizing Guanxi: A Case Study of a Transnational Thai-Yunnanese Businesswoman in Thailand's Chiang Mai Province**

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### **Abstract**

This paper argues that guanxi should be re-conceptualized through an adaptation and modification of Bourdieu's "capital" for the purpose of elucidating class mobility under transnational conditions. Ontologically, this paper liberates guanxi from the dichotomy trap of either cultural essentialism or institutionalism, which are steeped in static, discursive, homogenizing and non-globalizing perspectives. Through an in-depth case study of a transnational Thai-Yunnanese businesswoman with historical marginality, this paper propounds *guanxi* as social capital, spiritual capital and cultural capital. Distinctively, these dialectical and simultaneously co-existing forms of capital provide legitimation and recognition of symbolic capital for the process of upward class mobility.

**Keywords:** Guanxi, Cultural essentialism, Institutionalism, Capital

## Introduction

This paper argues that *guanxi* should be re-conceptualized through an adaptation and modification of Bourdieu's "capital" for the purpose of elucidating class mobility under transnational conditions. By way of problematization, the dominant approaches of cultural essentialism and institutionalism in *guanxi* studies will be analyzed and critiqued accordingly. Thereafter, this paper proposes the re-conceptualization of *guanxi* as social capital, spiritual capital and cultural capital. This is followed by the justification for the selection of case study in the methodological approach. Subsequently, research findings and discussion are presented to examine and explicate the multi-dimensional forms of *guanxi* capital from the case study. Last but not least, the paper shows how the dialectic and simultaneously co-existing forms of capital provide legitimation and recognition of symbolic capital in the quest for upward class mobility, before making salient remarks in conclusion.

## Problematizing Approaches to Guanxi Studies

Guanxi, which refers to the Chinese concept of social networking, has been studied and debated rigorously over the past few decades. Broadly speaking, scholars have argued between two major approaches, namely cultural essentialism and institutionalism. The following discussion aims to unravel the limitations of these approaches.

### Cultural Essentialism

Cultural essentialism refers to the conceptualization of *guanxi* as an essential element of Chinese culture and a phenomenon deeply rooted in the Chinese psyche (Gold, Guthrie and Wank, 2004: 9). For example, King (1985: 68) argued "that the Chinese are preoccupied with kuan-hsi building has indeed a built-in cultural imperative behind it". King (1985: 63) purported *guanxi* as "part of the essential 'stock knowledge'... of Chinese adults in their management of everyday life". Fei (1992: 20) argued that the Chinese society was composed of overlapping networks of people linked together through differentially categorized social relationships. Hwang (1987: 959) stated that *guanxi* in Chinese society at any time or place is an essential part of "China's national character". In similar vein, Pye (1968: 173-174) described that "Chinese tend to see the manipulation of human relationships as the natural and normal

approach for accomplishing most things in life... society as a web of human relationships and associations". Finally, Redding (1990) stressed the need of the Chinese to be part of a collectivity and to the greatest possible extent, to deal only with familiar people one can trust.

In cultural essentialism, scholars often traced *guanxi* historically to traditional roots. For instance, Ji (1999: 52f) indicated the "ancient *guanxi* network" as emerging from Chinese patriarchal bureaucracy to minimize uncertainties from the dangers in a political career (Langenberg, 2007: 3). In addition, there are scholars who associated village life as the noble origin of *guanxi* and the platform of its conceptualization (Cao, 2002; Hamilton, 1998; He, 2000; Ma, 2001; Yan, 1996a as cited in Langenberg, 2007: 3). Further, scholars like Mei (1967: 328) defined the "key concept of Confucianism is *jen ren*, or human heartedness" which influences the way people are treated through self-cultivation and education (Gold *et al.*, 2004: 10). Many researchers like Arias (1998: 151), Bell (2003: 233), Hackley and Dong (2001: 18) and Yeung and Tung (1996: 54) identified *guanxi* as a product of Confucianism, such as "ren-based *guanxi*" (Langenberg, 2007: 28). Early works by Fei (1992), Hu (1919) and Liang (1989) also applied the cultural perspective in explaining people's relatedness in terms of the ethical framework of Confucianism (Chang, 2004: 482). Yang (1994) also traced China's contemporary gift economy to its Confucian origins. The origins could be traced "to an ancient past... when a conflict between two discourses, Rujia (later called Confucian) and Fajia (or Legalist), first took place" (Yang, 1994: 208-209). She argued that "the implication of the Rujia discourse on government based on ritual is a society of social relations" (Yang, 1994: 229).

Cultural essentialism has also been employed as an explanation for *guanxi* in Chinese business networks. Hamilton's (1989) "guanxi capitalism" was coined to describe the distinct business practice which was derived from the Chinese kinship system (Gold *et al.*, 2004: 12). Many scholars also associated *guanxi* as a fundamental principle in business activity in Taiwan (Fields, 1995; Kao, 1991; Luo, 1997; Numazaki, 1992), in overseas Chinese economies of Southeast Asia (Kao, 1993; Simons and Zielenziger, 1994; Tanzer, 1994; Weidenbaum, 1996) and in China as well (Ambler and Witzel, 2000; Gomez Arias, 1998; Luo and Chen, 1997; Tung and Worm, 1997).

## **Institutionalism**

In contrast to cultural essentialism, there is another major corpus of scholarship known as institutionalism. It argues that *guanxi* has emerged from a particular set of social institutions and there is fundamentally nothing Chinese about this phenomenon

(Chen, 1997; Guthrie, 1998a; Kipnis, 1997; Oi, 1989; Pye, 1995; Riley, 1994; Walder, 1986; Wang, 1989; Zhai, 1996; Zheng, 1986; as cited in Gold *et al.*, 2004). For instance, Walder (1986) argued that *guanxi* is a response to situations similar to other socialist economies where scarce resources are controlled by powerful officials. Furthermore, Oi (1989) argued that the behavior of personal ties is neither inherently Chinese nor traditional through her analysis of rural politics. In the similar vein of thought, Guthrie (1998a) underlined that the institutional roots of *guanxi* for the importance of *guanxi* in Chinese society will diminish with the emergence of rational law and market economy. Pye (1995) situated his discussion firmly in specific structural causes including the lack of formal regulations and the danger-filled political environment in China. Wang (1989) and Zheng (1986) also argued *guanxi* as coping mechanism in the absence of a formal system of laws and regulations in economy. Kipnis (1997: 7) advocated the study of *guanxi* in the context of more than 40 years of Chinese Communist Party policy instead of a “manifestation of ancient textual tradition”. Riley (1994: 793) articulated that it is “certain elements of modern Chinese society that have actually increased the necessity for maintaining kin ties.” Finally, Chen (1997), Peng (1996) and Zhai (1996) asserted that people concentrated their energies on accumulating *guanxi* and mastering *guanxixue* as a basic strategy for survival and mobility in light of the disarray amongst institutions and values after the Cultural Revolution.

## Critiques to Cultural Essentialism and Institutionalism

Succinctly, this paper problematizes cultural essentialism as static, discursive and homogenizing. First, the static nature reduces *guanxi* into a romanticized notion, which restricts change and transformations. In light of this, Yeung (2004: xv) argued that culture should be seen as a “set of practices that change with circumstances and contexts.” Next, cultural essentialism can be a discourse that serves a politico-economic agenda. From a wider perspective of Chinese capitalism, a cultural explanation can be seen as an invention of a new post-socialist and post-revolution discourse on global capitalism (Yeung, 2004: 24). Finally, cultural essentialism has a homogenizing tendency which stereotypically represents and portrays Chinese universally. In reality, Chinese societies are eclectic and heterogeneous with many cleavages that impairs the collective unity of Chinese-ness.

While cultural essentialism is problematized as static, discursive and homogenizing, institutionalism is likewise beset with many challenges. Specifically, it neglects globalizing tendencies as well as critical cultural implications. In today’s accelerated rate of globalization, the social and institutional foundations of Chinese capitalism are

undermined and transformed from its traditional dimensions (Yeung, 2004: 39). Such transformation will not be visible in the institutional perspective, which often focuses on reactions to mere state-based domestic conditions (Yeung, 2004: 116). As for the lack of cultural analysis, it can be seen how *guanxi* has been argued as not so much a cultural logic but a structural system of repeated interactions based on ongoing exchanges (Langenberg, 2007: 39). However, my argument is that such perspective has reduced *guanxi* to a mere social networking concept. Consequently, it has completely dismissed the richness and diversities in *guanxi*.

## Re-Conceptualizing Guanxi as Multi-Dimensional Capital

In this paper, the researcher seeks to evade the dualistic trap of conceptualizing *guanxi* as either cultural essentialism or institutionalism. In order to mitigate the pitfalls of static, discursive, homogenizing and non-globalizing perspectives as highlighted in the preceding section, this study has chosen “capital” to re-conceptualize *guanxi*. *Guanxi* is a dynamic phenomenon that possesses multiple forms. In order to capture the plurality and flexibility of forms in *guanxi*, this paper has chosen “capital” from Bourdieu’s perspective as a platform for adaptation and modification.

According to Bourdieu (1986: 241), “Capital is accumulated labor (in its materialized form or its ‘incorporated’ embodied form) which, when appropriated on a private, i.e., exclusive, basis by agents or groups of agents, enables them to appropriate social energy in the form of reified or living labor.” This capital can be accumulated in three fundamental guises as economic, cultural and social forms (Bourdieu, 1986: 241). At the same time, these forms are non-static but convertible. Nonetheless, this paper seeks to show that *guanxi* is not only flexible but is possessing several forms of capital co-existing at the same time. It involves a departure from a uniplanar paradigm and embraces a multi-dimensional perspective. Hence, this paper raises the questions: Can *guanxi* be simply equated to social capital accumulation in a formalist fashion? In addition to social capital, can *guanxi* be extended to cultural or any other forms of capital? This study will reveal that *guanxi* is multi-dimensional capital in active operation. Further, this study seeks to explore how *guanxi* capital can serve its analytic function to elucidate class stratification and mobility in a symbolic way.

## Guanxi as Social Capital

In *The Forms of Capital*, social capital is defined as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – or in other words, to membership in a group – which provides each of its members with the backing of the collectivity-owned capital, a ‘credential’ which entitles them to credit, in the various senses of the word” (Bourdieu, 1986: 248-249). In terms of *guanxi*, social relationships are crucial for securing benefits. Through *guanxi*, people use personal relationships in order to access the actual or potential resources that are intricately connected with a network’s circle of social influence. This study proposes that *guanxi* encompasses the form of social capital. With examples, the researcher will seek to show how *guanxi* as social capital is utilized for the advancement of business operations.

## Guanxi as Spiritual Capital

For the purpose of this study, “spiritual capital” refers to the intrinsic unalienated attachment with sentiments and morality which go beyond economic interest. Fundamentally, this study argues that *guanxi* cannot be singularly captured in just a uniplanar form of capital. While *guanxi* is social capital, it is not entirely conforming to Bourdieu’s (1977) formalist position. This formalist position refers to rational decisions being made with the aim of getting as much as possible for oneself (Graeber, 2001: 28). To Bourdieu (1977), gift-giving falls within a set of competitive strategies which define every field of human endeavor (Graeber, 2001: 29). Making a stronger point, Appadurai (1995: 212) invoked Bourdieu and viewed gift exchange as a particular form of the circulation of commodities (Goddard, 2000: 139). To him, there is no difference between commodities and gifts in serving economic purposes. In other words, in the formalist perspective, *guanxi* through gift-giving is simply serving economic purposes. However, this study seeks to show that *guanxi* is more than social capital in a rational formalist sense. This study supports the view that there is an intrinsic relation between the gift and its producer (Goddard, 2000: 146). According to Mauss, the unalienated nature of the gift is articulated in that “to give something is to give a part of oneself” (Mauss, 1974: 10). Gifts, therefore, encompass spiritual and moral aspects that constitute obligations to give, receive and reciprocate (Goddard, 2000: 148; Mauss, 1974). In this light, the researcher coins *guanxi* as spiritual capital, which goes beyond the instrumentality of social networking. This study aims to show how *guanxi* is a form of spiritual capital.

## ***Guanxi* as Cultural Capital**

Unlike many who view *guanxi* as an inherited virtue, *guanxi* is in fact a learned discipline. This study employs Bourdieu's (1986) cultural capital to re-conceptualize *guanxi*. Here, cultural capital refers to the forms of knowledge, skills, education and advantages that a person has, which give them a higher status in society. In Bourdieu's (1977) sense, cultural capital emerges in three different forms, which are incorporated (e.g. values, skills, knowledge), objectivized (e.g. books, tools) and institutionalized (e.g. educational degrees, professional titles). Hence, this study boldly seeks to explore and show how *guanxi* is a form of cultural capital acquired through at least one of the above-mentioned means.

## **Multi-Dimensional Capital of *Guanxi* as Analytic**

One of the key features of this study lies in the analytic function of *guanxi* capital as a revitalized concept. With *guanxi* multi-dimensional capital, this study unravels class mobility through Bourdieu's representation of social stratification. In actuality, Bourdieu's work on capital shows class fractions from the three main types of capital, which reflect the existence of different levels of power (Swartz, 1997). In contrast to Marx's class, Bourdieu's perception of class goes beyond economic dimension to include cultural, social, educational, and linguistic which are concrete, flexible and commonly found in people's concerns (Sayer, 2005). In other words, while there might be a decline of class-based political and economic mobilization with a clear form of exploitation, it does not mean that class stratification has disappeared. It simply takes place in subtle forms where the lower class seeks space to move upward in status acquisition.

In order to fully appreciate the class mobility involved in *guanxi* capital, we employ Bourdieu's symbolic capital in articulation. According to Bourdieu (1986), symbolic capital can be defined as "the form that the various species of capital assume when they are perceived and recognized as legitimate." Legitimation and recognition of symbolic capital which produces honor and prestige is an outcome of the tri-dimensional social-spiritual-cultural capital in *guanxi*. In this study, the researcher aims to show how *guanxi* capital produces honor and prestige in symbolic form which facilitates class mobility.

## Selecting Key Actor as Case Study

The methodological approach of this research is focused on an in-depth interview of a key actor on her involvement in business and entrepreneurial transnational networking. It employs a bottom-up approach, which compliments the top-down approach where the latter dominates literature on globalization and political economy of business systems (Mittleman, 2000 as cited in Yeung, 2004: 41). In the age of accelerated globalization, people are moving away from their home countries for business opportunities. The selection of a transnational businesswoman as a case study fills the gap of the scarcity of research into how key actors in Chinese capitalism develop and exhibit different repertoires of entrepreneurial tendencies and practices (Yeung, 2004: 43). As such, this study employs an in-depth interview of a businesswoman engaging in transnational entrepreneurial activities.

The case selected in this study is a Thai-Yunnanese and is not a random choice. Historically, there is a prevalent negative Thai perception of the Yunnanese in association with their former military activities and drug trafficking (Chang, 2001). They are referred as Jin-ho which contains pejorative meanings, ascribing them as being violent, backward and engaging in illegal trade (Hill, 1998: 18). Their migratory history has inevitably affected the Thai government's policy making regarding national security and border control, which made them marginalized (Wang, 2006: 357). However, with the recent rise of China as a "potential superpower" (Yan, 2001: 33), "Chinese-ness" is no longer a derogated aspect. On the contrary, Chinese identification can be a symbolic capital with prestige ascribed. Hence, this study has chosen a Thai-Yunnanese with a historical marginality for investigation.

By research method, this study has employed life story analysis (Linde, 1993; McAdams, 1993). It holds the underlying assumption that people construct their own story about what is true about themselves. It also gives the respondent the freedom to share in the construction process of antenarrative, story and narrative (Boje, 2011). Before conducting the formal interview, the researcher has spent several occasions to visit, to patronize the product and to introduce other customers for the purpose of building relationship and trust. The formal interview was finally done on 29th July 2014. The respondent chosen in this study is a transnational self-employed multi-level marketer situated in Chiang Mai. Her name is Chalee in Thai or Hu Zheng Ju (胡正菊) in Chinese. She is an independent non-salaried business owner who deals with Beauty Comfort Bio Sanitary Pads by Addwell Beauty (Thailand) Co. Ltd. She operates her business system through direct selling and network marketing, which goes beyond national boundaries. At thirty-five years of age, Chalee earns an average of 40,000 – 50,000 Baht per month and holds a "superstar" position.



In addition, Chalee is based in Chiang Mai, a province which has developed a market-driven environment hospitable to Thai-Yunnanese who have found a niche through the jade business, orchards, restaurants and shops (Hill, 1998: 13). Over the past two decades, Chiang Mai has continued to develop socio-economically and has become a famous tourist destination in Thailand. Chiang Mai has since become a hot spot with the global flows of people, capital and information. While she is primarily responsible for Chiang Mai, Chalee has established representative networks in Laos, Myanmar, China and Taiwan. She is currently networking for Vietnam, Malaysia and other countries too. Hence, this study delves into Chalee's engagement of *guanxi* as multi-dimensional capital since relationship marketing lies at the core of her business operation.

## Research Findings and Discussion

### ***Guanxi as Social Capital***

In a formalist sense, *guanxi* capitalizes on one's existing social relationships for the purpose of advancing economic interest. In the case of Chalee, *guanxi* is social capital through her kinship and friendship network. When she is asked about how she has started her business threads with the utilization of *guanxi*, Chalee responds candidly with the following anecdote:

In the beginning, once I knew about the herbal napkins, I had to tell my loved ones, my mother, siblings and relatives, that here was a great product. I told them, "This napkin is really good. Use it." But I only started doing business overseas when I went to visit my old friend in Chiang Saen in Chiang Rai province. It was her birthday but I didn't bring the usual gifts like cakes. Instead I gave her the herbal sanitary napkins. She was confused but I made her use it. When morning came, she was impressed. She was my childhood friend and I told her the napkins are good for health and that we can make money from them. She had a boutique and a Laotian came in and bought some clothes. That time she demonstrated to the customer and convinced her to use it. She came back later and asked for more stocks so she can sell more. Since then, she wanted to do the business overseas. So she brought the napkins to Chiang Khong on the Thai border and crossed by boat into Laos.

(Interviewed, July 29, 2014)

From the above example, we can observe that Chalee was strategic in capitalizing on her *guanxi* with her kinship, and perhaps more so, with her childhood friend. In particular, Chalee was able to break away from the conventional norm of a birthday gift because of the pre-existing social relationship she had with her friend. Thus, *guanxi*, as a form of social capital, is vividly captured here as a business strategy for Chalee.

The dynamism of *guanxi* as social capital is not confined to a single connection. It can be extended beyond like a chain reaction with economic precision. In fact, Chalee's *guanxi* with her childhood friend has led her to other contacts that yield business profits. Following this thread, Chalee comments further regarding her childhood friend in relation to the development of a business thread in Burma:

That time, she said she has a friend in Burma because her friend's husband is a border customs officer... I went to look for her friend's husband in order to explain about the product. It was a person to person introduction.... That husband then introduced someone to find a contact in Burma... Sometimes, it's not fixed. Like you have the heart to introduce to your loved ones... Burma belongs to her husband. He accepted this business and he applied it. Everything goes through him. He opened the opportunity to introduce the Burmese representatives

(Interviewed, July 29, 2014)

It can be surmised that through her childhood friend, Chalee scouted on potential relationships for business opportunities. As in this case, Chalee was strategic to meet the husband of her childhood friend's friend. This is because the man is a border customs officer who might likely facilitate her future business as well as introduce other potential contacts to her. In fact, the potency of *guanxi* as social capital is clearly manifested here in that Chalee could have access to a male person with a position of authority despite herself being a woman of foreign descent selling a culturally sensitive product.

Finally, Chalee engages social media in the quest of *guanxi* social capital. Specifically, she narrates as follows:

I use Facebook to network and joined a Vietnamese trading group. I introduced myself in Thai because they were Thai business people working in Vietnam and they know Vietnamese people. They started the Facebook group for Thai business people in Vietnam. So I joined and messaged them that I wanted to be their 'student' saying, "Please introduce me on my behalf as I am bringing products into AEC, which is ASEAN." My products are for females and are good for women's health across the world, not just in this country

(Interviewed, July 29, 2014)

In the emerging market of Vietnam, Chalee utilizes Facebook to penetrate into a group of Thai businessmen working in Vietnam. This example reveals that even in the absence of existing contacts, Chalee has capitalized on social media and technology to establish new *guanxi*. This is in tandem with Appadurai's (1996) "technoscapes" where networkable construction and communication takes place. Technoscapes have facilitated the construction of *guanxi* as social capital.

## Guanxi as Spiritual Capital

While social capital explains *guanxi* as a business strategy with economic rationality, it fails to capture its dialectic form. This paper utilizes the term "spiritual capital" to illustrate the intrinsic elements of sentiment and unalienated attachment in *guanxi* dynamics. In actuality, it is the love for her family that has driven Chalee into this self-employed multi-level marketing business. This can be seen in her elaboration of how she has started this business:

The 7 years I worked was like a routine that I did every day and I didn't have the time to see my parents, no time to fulfill my duties as a daughter. I didn't go anywhere and if I stop working then I don't get any income, even if I'm not feeling well. But it doesn't matter. As long as I work, I make money. If I think like this, I work and I feel happy because I can make a living. Also I can make a down payment for my home. But I forgot to make time for myself and my family so I turned to ask myself, "Every day I worked for myself until I forgot to look after my family. This isn't right. So I saw that if the sanitary napkins I used are good"... My parents, my older brother, younger sister and my nieces and nephews are in Chiang Rai. Because I'm still not married, I have lived by myself since I was a child. I felt that the thing I really wanted to do was to become a good daughter, to have the time to look after my parents. And if I continue to sell bubble tea, I'm doing it just for myself, and not for them. If I am to continue to be happy, they also will be happy with me, but I won't be looking after them. Since that time, since I knew about the herbal napkins, that has changed my thinking

(Interviewed, July 29, 2014)

Prior to this business, Chalee was already an entrepreneur who had set up her business selling bubble tea. However, she was so busy that she began to question the meaning of filial piety, true happiness and the value of family at a deeper level.

Such an inner search constituted a spiritual form of *guanxi* that became capital for her to embark on this new business venture.

Besides, Chalee's *guanxi*, which had taken on a form of spiritual capital, can be shown in the way she treats her agents. Chalee emphasizes investing in the lives of the five immediate agents under her charge. Interestingly, she uses the term "children" to describe them. When she is asked about them, Chalee comments:

My Chiang Saen friend, Nana, my older brother in Chiang Rai, my younger sister in Bangkok and another friend. These 5 are connected down, all the way down there are over 500 people

(Interviewed, July 29, 2014)

Unlike owners of other types of business who tend to withhold knowledge from subordinates, Chalee explains that her business model takes a complete twist. She seeks to impart everything to her "children." In fact, she stresses that she can only cope with five children because of the emotional and physical energy required in nurturing them. The best measurement of Chalee's spiritual capital of *guanxi* is perhaps reflected by one of her children, Nana. Nana articulates it as follows:

Now, our *guanxi* is like good sisters. Through this product, we have built a very good friendship and a very good *guanxi*. This *guanxi* is not through gift-exchange between us but it is developed through care, concern and encouragement... The best gift is the opportunity. If I don't have my sister and if she didn't give me this opportunity, I would never have known that there is such a good product in the world.

(Interviewed, July 29, 2014)

Therefore, *guanxi* undertakes a form of spiritual capital. As spiritual capital, *guanxi* involves an unalienated attachment and sentiments invested in the people involved.

### ***Guanxi* as Cultural Capital**

Chalee spends time to impart knowledge regarding product information to her "children." Moreover, Chalee recognizes the crucial need to equip her "children" with the relevant skills in connecting with their potential clientele. In the course of conversation, Chalee has often used the term "teach" and has expressed her

intention to help her “children” establish and maintain relationships successfully. In other words, *guanxi* is cultural capital as an art to be imparted and learnt. Nana, one of Chalee’s “children,” shares how she has benefited from the valuable lessons she has received from Chalee. When asked about what she has learnt concerning *guanxi* from Chalee, Nana explains as follows:

I learn about heart-morality (心德). It means like how to describe or explain the product and to give others a very good impression. For example, I have experienced many companies where they just wanted and insisted the customers to purchase their items but they never related with the customers with good relationships and deep impressions. Thus, she is very different from others. She is different in the areas of service to us. This includes both serving us as well as teaching us and in everything and everything. For example, she is very detailed in work with explanations. Also, whenever there are outdoor assignments and there are friends who are interested and need explanation, she would immediately go along with me and assist me in explaining to the customers. During her demonstration, I would then stand by the side to observe and study her in her speech and presentation with others. I learn how to build *guanxi* with others. First, it is to give others a good impression and not to give the idea that you are here to sell something. Instead, it is to let the person know of a good and healthy product so that the person will not have a repulsive or objectionable feeling. There are many companies which give a pressurizing effect on people

(Interviewed, July 29, 2014)

In analysis, Nana has learnt the importance of acquiring a detailed knowledge of the product information. Besides, she has inculcated the values of sincerity through prompt responses of Chalee as well as being patient with customers. She has also picked up the skills of developing good social etiquette and neutralizing any stressful and pressurizing ambience. Hence, Nana has become a student through Chalee’s informal and non-formal impartation of *guanxi*. Chalee has taught verbally and physically demonstrated to Nana. As such, it can be argued that Chalee’s *guanxi* is an incorporated cultural capital for values, skills and knowledge are transmitted to Nana. As cultural capital, Chalee’s *guanxi* is something taught and caught in an ongoing internalization.

Further, *guanxi* can also be seen as objectivized cultural capital especially through Chalee’s trans-provincial and trans-national business interactions. This is because Chalee has conscientiously learnt through books and other cultural tools in establishing *guanxi*. Across different localities, Chalee explains *guanxi* development as follows:

You need to drink beer when you are in Laos, you need to dance sometimes. When we have fun, we can develop a relationship and work together. It gives us the opportunity to talk... They want only beer. They like drinking beer so I bring beer to them. We need to know what they like

(Interviewed, July 29, 2014)

As for Vietnam, I will read books first. Find out about the important places. I have to study that country first, greetings, table etiquette. What are Vietnamese manners like? How should the Thai behave? We need to learn until that point. In the selling business, one is the selling of 'thinking'

(Interviewed, July 29, 2014)

If we come from Chiang Mai and going to Isaan (อีสาน) province, we will bring famous food like sai ua (ไส้อั่ว), nam prik noom (น้ำพริกหนุ่ม), kep moo (แคบหมู), etc. as gifts. They will bring plaa raa (ปลาร้า) to us. This is the tradition of giving food

(Interviewed, July 29, 2014)

Suppose I go to Burma, then I will bring famous products from Chiang Mai, bags or products with elephant motifs. As I live in Thailand, I have to give Thai related presents. It's not the case that I can give them anything

(Interviewed, July 29, 2014)

Like any other fields, *guanxi* is a discipline that needs to be mastered. In this case, Chalee has demonstrated that *guanxi* is a learned art as a form of incorporated and objectivized cultural capital.

## Elucidating Class Mobility through Guanxi Multi-Dimensional Capital

Let us now visit the ethnographic background of Chalee in order to appreciate how the reconceptualization of *guanxi* as multi-dimensional capital elucidates class mobility. As a Yunnanese Chinese, Chalee's paternal grandfather was a Kuomintang (KMT) soldier under General Duan who settled in Northern Thailand in the early 1980s. Although Chalee was born in Thailand, she grew up with a vague and pseudo sense of identity. She recounts her story as such:

Before, during my parents era, there were cases where they had to register with other families, like asking other hill tribes. Not Chinese descent but tribal people. This also happened to me. For myself, I have used this surname only since I was 20. Before that, I was registered with another family, as a Shan. I was their "child" since I was born. From age 1 to 20, I have to be with the others. Then when I reached 20,

after my father has gotten his ID card, I can come back to him but only as a fostered or adopted child. Whatever they want us to join in whichever tribe, we will have to join  
(Interviewed, July 29, 2014)

Besides, the alienated feeling of otherness dominated her past experiences as she grew up in Thailand. She narrates:

I feel Thailand hasn't quite accepted us yet. I'm not certain but I feel this way. Because the Chinese Yunnanese are immigrants, we are Chinese foreigners, foreign Thais who are not 100% Thai. Before, we don't quite like the way the police look at us because we are Chinese.... Yes, because in the ID, it will indicate Thai-Chinese, "Jin-ho opayop" (จีนฮ่อ อพยพ) which has the meaning of "refugee" here. In the past they reflect this, but now no

(Interviewed, July 29, 2014)

Chalee's past experiences have been marked by class marginality. However, the adoption of *guanxi* in this multi-level marketing has enabled her to rise in social status. This can be observed through the lens of symbolic capital in view of the social-spiritual-cultural capital she has accumulated. Reflecting on the realm of popularity (symbolic capital) attained through her borderless connections (social capital), "children" development (spiritual capital) and skills (cultural capital), Chalee puts it this way:

Like I worked in the bubble tea business for 12 years. More and more people know me each day. And when I started the napkin business, I had the opportunity to meet the CEO but I only meet people in Chiang Mai. My bubble tea business was only within Chiang Mai. Only people in Chiang Mai know me. But the napkin business increased the people I know, in Bangkok, overseas, other provinces... I have many Facebook contacts and I'm like, popular. So I feel good about myself that I have the skills, as well as being sincere and honest with my customers. Things that we know and see, we need to teach them to our 'children'. We need to develop them. Because the bubble tea business can be done only in Chiang Mai whereas the sanitary napkins business is borderless

(Interviewed, July 29, 2014)

This symbolic capital of popularity is extended to the construction and accentuation of her Chinese identity in light of an upward class mobility. According

to her, she has earned herself the reputation of being a smart, honest, hardworking Chinese in the eyes of others. She describes:

Yes, good. They don't look down. They'll say, "No wonder. You are not Thai as you're so hard-working because Chinese are hard-working. So I felt happy... We are very capable because, one, most business people are Chinese who are helping to develop and progress the country. For example, the boss of CP is Chinese. The Oishi boss is ethnic Chinese. I feel proud that at least I have Chinese blood. Another thing, we have to follow their example, because they all started with nothing. I feel proud and happy... Before, the Yunnanese Chinese have to hide, scared of entering the towns. Now it's totally changed. My father couldn't drive cars as the police will catch him. He had to walk to do business and to ride on horses. But this was before, during my grandfather's generation. We are the new fifth generation Yunnanese.

With *guanxi* capital, Chalee does not see herself any less in comparison with the Thais as well as other overseas Chinese. In fact, she pictures herself in the similar ranks of other well-known Chinese entrepreneurs, who have become very successful people. She now feels a great sense of pride and is no longer looked down by others. Class mobility has taken place through the vehicle of *guanxi* multiple capital accumulation, which simultaneously generates legitimation and recognition of symbolic capital.

## Conclusion

This paper propounds a re-conceptualization of *guanxi* through the adaptation and modification of capital from the Bourdieuan perspective. Conceptually, it disentangles itself from the dichotomy trap of either cultural essentialism or institutionalism, which are gravely limited by static, discursive, homogenizing and non-globalizing perspectives. In fact, the multiple forms of capital provide dialectic and simultaneous perspectives to *guanxi*, which render a clearer understanding of the complexities in business operations. The significance of this study lies in its ability to shed light on the process of class mobility through entrepreneurial activities, which has often been glossed over flipantly with generalizing presumptions. On the contrary, this case study has shown that upward class mobility is a deliberate and strategic accumulation and deployment of social, spiritual and cultural resources, locally and trans-nationally,



which further propel individuals with social upward mobility. This paper does not seek to make an overgeneralization through a single case. Instead, its purpose is to offer an in-depth understanding while providing a platform for further analysis to economic cultures in an era of global capitalism. Finally, this study does not espouse a uniform and unilinear upward trajectory as explanation to class mobility. In reality, there are many cases whereby entrepreneurial activities follow placid, erratic or even downward tracks. It is recommended that future studies can embark on these varied trajectories and offer illumination to the dynamism of entrepreneurialism against the myriad backgrounds of social marginalities.

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