A tale of two cities: London and Beijing

A Chinese bank in the City of London

Debate of globalisation

- Convergence
- 'end-of-history'
  'death-of-geography'
  'borderless world'

    Naisbitt 1994; O'Brien
    1992;Bryan and Rafferty 1999;
    Ohmae 1996; Fukuyama 1992;
    Jessop, 1997;Scott, 1998

- **Divergence**
- **variety of practice to capitalism; variegated capitalism**

- Dicken 1998;Held.et
  al.1999;Morgan 2001; Carr
  2005;Peck and Theodore 2007;
  Martin, 1994;Hirst and Thompson,
  1996; Corbridge et al 1994;
  Gibson-Graham 1996;
  Held1995;Amin 2002;Jessop 2000;
  Swyngedouw 1997; Hess 2004;
  Hess and Coe 2006;Peck and
  Tickell 2002; Coe and Yeung 2001

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This paper is about

- **Globalization from the periphery not from the core**
- **Soft-capitalism not hard**
- in particular *on trust*
- My argument - globalisation is not a mere homogenization or fragmentation, but rather a process of hybridization (due to unification of plurality), having convergence and divergence within the same process

why on trust?

- 'embeddedness' (Granovetter, 1985); 'untraded interdependencies' (Storper, 1997); 'social capital' (Coleman, 1988) ;'relational proximity' and 'organisational learning' (Glückler 2005, Faulconbridge 2006/7/8;Jones 2006/7/8)
- Patterns/rules of social relations and role of trust

trust as geography
- a socio-spatial relation

- Absolute spaces of trust –in absolute territory (high and low trust society Fukuyama 1995)
- Relative spaces of trust-differentiation between territories(Yamagishi et al 1988a, 1988b, 1994, 1998; Nooteboom 2002;S. Beugelsdijk and T. van Schaik 2005)
- Relational spaces of trust – created through the practice of trust in interactions, communications and negotiations –hybrid forms of trust may emerge

Forms of trust

- Personal trust -- deal with character issues
- Regulatory trust -- deal with ability and legal issues
- Complementary role in economic action

as a social spatial relation, trust is also a skill and strategy learned and adopted by organisational agent to cope with organisational structure

Definition of personal and regulatory trust (but note problems of essentialism in these definitions)

Personal trust

- A strong **belief**/faith in an individual's **trustworthiness**. It is based on **interactions** and reciprocal behaviors/reciprocal interactions through interpersonal links, ties, bonds among friends and families.

- In a word, personal trust is belief in trustworthiness guaranteed by **relational contracting**, not formal laws or regulations.

Regulatory trust

- A strong **confidence** in an organizations' **trustworthiness**. It is based on 1) the organization's formal institutional **environment** such as laws and regulations to secure its trustworthiness, 2) the **attitude**/habit of its members in following the regulations and laws.

- In a word, regulatory trust is confidence in trustworthiness guaranteed by **rational contracting** based on laws.

Globalisation and diversity

- "globalisation is neither an external force nor one that is entirely irresistible. Globalisation therefore leaves space for action." Webber (2002 1163)

London- a meeting place

- Events
- Training courses
- Informal trips

to build and manage trust in a way to achieve its organisational objectives

London as a relational space

- Head office in Beijing
- Financial supervisor in Beijing
- State agency in Beijing

Negotiating trust relationship between Beijing and London to allow transformation

Transformation of notion of trust

- Not a Chinese definition –personal oriented
- Nor a British definition –regulatory oriented
- Hybrid definition
- Mixed use whichever necessary

Findings

- existence of personal and regulatory trust

- hybrid practice as active response to it

- globalisation as hybridization, neither complete convergence nor complete divergence

Method

- Former trust study -- lab observed (e.g. game theory); General question survey
- Limit - lack of context

My study

- In-depth interview
- Participant observation
- Secondary data

Problem 1 positionality – a process of remaking myself

- To keep as objective as possible,I tried to distance myself from my subjects, adopting an outsider view to look at my fellow people. But I cannot help judging the culture I belong and experience with an imperial gaze. Like some geographers from the core, from the above, judging the difference as backward, non-standard, unprofessional. Therefore I have to balance myself, not to close, and not too far…a hard balance sometimes, a psychological suffering sometimes. It is a process of denying myself and remaking myself. I feel I do not belong to each side. Like my respondents, globalization makes me a hybrid being, holding Chinese value and British value, mixing usage of them in my daily life, always trying to get the best nutrition from them to benefit me as a active agent of globalization. The research itself is a process of I research and rebuild myself.

Problem 2
get trusted and validation

- i   appointment making (get permission for an interview but hard to get an exact date; (eg.cancel;change;)
- ii recorder-sensitive;telephone interruption (most often informal place get more information)
- iii respondents say on thing and practice another (eg.telephone conversation)

Back again to emphasize aim of the research

- Globalisation is initiated and dominated by the US-led, Western developed countries. However, no country, including the USA, can completely control the process of globalisation, developing countries, including China, also impact on the process. (*Yu Keping 2003*)

Title of thesis: Bringing it all back home? *A Chinese bank going global*

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