

# Jade and Guanxi in China: Material-Social Congruity and Contingency

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## Abstract

This article discusses how the gemstone jade mediates *guanxi* ('personal relationships'), and how *guanxi* mediates jade trade in China. Outlining some affective, spiritual, moral and somatic meanings and efficacies of jade, especially as a gift, the article first discusses how jade materialities, cultural history and ontology influence human interactions with, and through, jade in contemporary China. Secondly, the article presents some more economically instrumental investments in, and exchanges of, jade and discusses why and how a national anti-corruption campaign engendered fluctuations in Chinese jade markets. Finally, the article discusses how *guanxi* ideally forges personal trust that facilitates transactions of jade, even though some younger jade traders consider *guanxi* insincere. Studies of *guanxi* in China's reform era have conventionally given analytical primacy to how social relationships structure and give meaning to material exchanges. In contrast, this article argues that jade itself can be a catalyst for social relationships that span affect and instrumentality. Combining object-oriented, ontological and institutionalist approaches, the article conceptualises the outlined relations between jade and *guanxi* as material-social congruity and contingency in the Chinese context.

**Keywords:** *Markets; gemstones; social relationships; affect; instrumentality; personal trust; materiality; ontology*

## Introduction

This article discusses how the gemstone jade mediates *guanxi* (Chinese, 'personal relationships') and how *guanxi* mediates jade trade in China. Fleshing out material-social congruities and contingencies between jade and *guanxi* in the Chinese context, the article seeks to qualify not only social relationships, but also objects as internally diverse and particular, rather than generic, variables in material exchanges. As relations

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between phenomena, congruity here encompasses analogy (similarity) and homology (underpinning by the same force or principle), while contingency designates mutual efficacy or complementarity. The article complements a focus on material exchanges in *guanxi* studies by considering the conceptual productivity and social efficacy of material things advocated by some object-oriented and ontological approaches in anthropology. The discussion is based on a total of twelve months of fieldwork between 2013 and 2018 among Chinese jade traders, carvers and users, primarily in Ruili, a jade trade hub in China's Yunnan Province bordering Myanmar. Part of the research also involved local ethnic minorities, including the Jingpo, who in some social contexts held egalitarian ideals that contrast with the social hierarchy that is often implicit in Chinese *guanxi* relationships.

Designating certain types of relationships and networks, *guanxi* in contemporary China is often an indispensable resource for doing business. Gendered interactions, exchanges and consumption in social arenas like banquets and KTVs (Karaoke clubs) commonly pave the way for business deals and state-clientelist ties (Osburg 2013; Zheng 2006). Through formalised social forms like ritual, etiquette and courtesies, participants in such interactions often seek to establish sentiments, or affect, which, in turn, can serve towards instrumental ends. Such affective sentiments often evoke a reciprocal ethics of 'brotherhood' (*xiongdi*) in masculine *guanxi* relationships. Rather than mutually exclusive opposites, affect and instrumentality are often seen as a 'totality' in *guanxi* (Kipnis 1997, 2002). While this complementarity is an ideal for many, *guanxi* varies with time, place and positioning. We shall see that jade mediates both affective and instrumental social relationships, but that younger jade traders tend to consider *guanxi* formal, instrumental, hierarchical and even insincere.

Material exchanges, notably gift-giving, play a crucial role in mediating *guanxi*. Yunxiang Yan (1996) identified 21 kinds of gift-giving activities and classified expressive (affective) and instrumental gifts in horizontal and vertical relationships in Xiajia village in Heilongjiang. In Yan's analysis, it is *guanxi* and the ethics of *renqing* ('human feelings') that give meaning to material exchanges, rather than the other way around. Contrary to the Melanesian and Polynesian gift exchanges that have guided much of anthropological theorising on reciprocity and inalienable objects, in Xiajia village 'it is not the spirit of the gift but the spirit of the people that ties the gift transactors together' (Yan 1996: 226). Gifts for Xiajia villagers do not have supernatural power or

a spirit in and of themselves and are alienable. Yan posits the gift as a 'sign' that 'conveys *renqing* against the social matrix of *guanxi*' (ibid.). Here, *guanxi* becomes akin to a semiotic signifier and gift objects akin to readable texts.

Yan's position might be seen in the context of a symbolistic-hermeneutical paradigm that posited things as somewhat passive generic repositories for human signification and interpretation within historically and culturally situated 'grammars'. As Arjun Appadurai (1986: 5) argued, 'things have no meanings apart from those that human transactions, attributions and motivations endow them with'. Appadurai points to indeterminacy and potential polyvocality in things that can mean, or perhaps rather be, different things in different contexts, and proposes to look at the 'potential', 'phase', 'state', 'candidacy' or 'situation' of things, for example as gift or commodity, by following their life stories (ibid.: 13). While advocating a methodology of 'following things', this approach implicitly gives analytical primacy to signifying humans over signified things, and studies in this tradition have focused on human production, exchange and consumption of things more so than on intrinsic properties of the things themselves.

An analytical privileging of social relationships over the intrinsic properties of things themselves may of course be supported by noting that what constitutes a proper gift in China varies and changes contextually, and might ultimately imply that any given object could communicate affect and mobilise *guanxi*. However, the sharing, exchange and social consumption of certain stuff, including food, alcohol and cigarettes, have proven persistent ingredients in masculine *guanxi*. Approaching exchangeable items like cigarettes and jade exclusively as generic symbolic stuff risks missing out on how their particular materialities guide particular conceptualisations and social relationships.

The past two decades have seen calls for considering how humans and nonhumans interactively effectuate worlds in ways that obfuscate culture-nature dichotomies and hierarchies, including Philippe Descola's proposal of an anthropology that renounces to 'a great part of its anthropocentrism', based on his relativisation of modern naturalist ontology (Descola 2013a: 5, 2013b). In the case of cigarettes, their 'smokable' materialities create a temporally delineated space for sharing and consumption, and cigarettes may also be considered constitutive agents for sociality and imagination that are not animated by external human intention and meaning, but by the 'spirit' of their matter (Reed

2007: 41). We may be directed towards new field-sites, methodologies and analytical viewpoints if we consider nonhumans – whether they be cigarettes, insects or jade – not merely as ‘opportunities for culture’, as per the symbolistic–hermeneutical paradigm, but also as its ‘co-authors’ (see Raffles 2010: 100). In line with the impetus of such recent ontological and object-oriented anthropological positions, this article takes jade as a case for exploring how objects are not only ascribed meanings within social relationships, but may also in themselves host material efficacies, delineate fields of possible interpretations and mediate social relationships.

In what follows, I present some affective, spiritual, moral and somatic meanings and efficacies of jade in China. I then discuss some implications of more instrumental exchanges of jade in *guanxi* relationships. Finally, I outline how *guanxi* underpins the jade trade in Ruili.

### **Jade in China: Affect, Spirituality, Morality, Somatic**

As a generic concept, jade encompasses great material diversity. Due to the material singularity of individual jade pieces, jade is not fungible, and due to its perceived capacity for absorbing aspects of its users, it is not unconditionally alienable. Based on the material properties of jade, its cultural history, as well as ontological assumptions about the constitution of the world, jade expresses a plethora of meanings and mediates different types of social relationships in China. In this section, I present some perceived congruities between jade, people and social relationships in China that can be conceptualised as both analogy and homology.

The gemmological term jade encompasses two types of materials: nephrite and jadeite. Nephrite has been mined and used in what is now China for up to 8,000 years, whereas gem-grade jadeite is mined almost exclusively in northern Myanmar’s Kachin State, and only became widely known in China from the 18th Century. Jadeite is harder, and in its high-grade versions features higher transparency, translucency, lustre and shinier colours, and is more expensive than nephrite. But both materials are considered *yu*, the generic Chinese term for jade, and are ascribed with the same cultural meanings in China. Jade is in contemporary China used as consumer items, status symbols, collectors’ items, investment objects, payments and gifts.

Many types of gifts of jade communicate affect, including wedding gifts and heirlooms (often in the maternal family line). Unlike

the gifts of food, consumer goods and money that nourish guanxi in Xiajia village, as discussed by Yan (1996), such affective gifts of jade are generally inalienable and meant to be kept in the family line. In an interview, a descendant of Fujianese Chinese who migrated to Myanmar three generations ago illustrated how jade and the conditions and extent of its (in)alienability can mediate belonging and affective social relationships, also in a transnational context. As Myanmar nationals, her family has managed to lease lucrative jade mining concessions in Myanmar's Kachin State that produce top-grade lavender colour jadeite. Capitalising on their cross-border networks and Chinese language skills, the family sells the jade in Myanmar, Thailand and China. Most customers are Mainland Chinese, but they do not want to sell their best jade to them. 'We want to keep good stones in our country', she said, 'and the best jade we keep in the family'. Her mother gifted her top-grade jadeite jewellery, which she will pass on to her own daughter when she marries. I asked if she sees herself as Chinese or Burmese. 'I am overseas Chinese [*huaren*],' she answered, 'so I'm in-between, but Myanmar is my country.' This 'interstitial subjectivity' (Chang 2008) affords her a position to access jade supply in Myanmar, meet demand from Mainland Chinese buyers and appreciate cultural values of jade as a 'Chinese', while defining the People's Republic of China as 'outside' by keeping good jade 'inside' Myanmar as the nation she feels belonging to and keep the best jade inside her family line.

Jade has historically symbolised moral virtues and spiritual self-cultivation, and jade-human analogies still constitute a template for conduct and social relationships among some Chinese jade aficionados. The soft sheen, uniformity, sharp sound, hard texture and strength of jade have been revered and seen to symbolise the human virtues of benevolence, justice, wisdom, courage and purity throughout Chinese history (Yu 2009: 4). Incorporating the words of Confucius (551-479 BC), the Book of Rites (*lijì*) linked material properties of jade to Confucian morals and summarised eleven virtues, which 'became the criteria for gentlemen in conducting themselves in society with self-discipline and the moral codes for scholar officials' (ibid.: 63). While Confucian human-jade analogies specify 'gentleman-like' qualities, cardinal jade qualities such as purity are also analogised onto women, and some of Ruili's male jade traders compare women to jade based both on their 'exterior' skin-tone and their 'interior' personal or cultural qualities (Møller 2019: 287-289).

Philippe Descola (2013b) compares animism, totemism, naturalism and analogism as four 'ontological modalities of identification'. Descola's proposition of a universal distinction between self and the Other as an interplay of resemblances and differences at the levels of interiority and physicality allows us to consider this distinction as not always one between humans and jade, but also as a distinction between humans *through* jade. Engagements with jade for some afford conceptions of an analogous interiority, as manifested in ideals like purity and hardness, which take on material-social congruity in jade-human analogies.

In my fieldworks, an idealised material-social analogy between jade and the Confucian gentleman (*junzi*) manifested itself especially among a group of academically trained male carving artists from Eastern China, who had moved to Ruili to establish jade carving businesses and carving schools. In this group, *junzi* is a moral, spiritual and intellectual self-cultivation and conduct that can emerge through interactions with jade. One carver described carving jade as refining (*zhuo*) its inner character, which is simultaneously a process of self-cultivation for him. Another carver described how he and other carvers sometimes meet around a jade stone. Sharing their ideas about how to read and carve the stone, or simply watching it in silence, they have developed deep friendships.

Kam and Edwards (1994) discuss the dyad *wen-wu* ('literary-martial') as a masculine ideal in Chinese culture. *Wen* refers to literary and artistic pursuits of classical scholars, while *wu* signifies physical strength, military prowess and authority. Confucius embodies *wen*, while the general Guan Yu (160-219 AD) is a *wu* God. In their gentle demeanour and sociality, as well as in their affective and philosophical engagements with jade, some elite male jade carving artists in Ruili performed a masculinity that resonated with Confucian ideals like *wen* and *junzi*. In turn, some male jade traders performed a sociality more congruent with *wu* masculinity, which can be brought into effect as a hierarchising social power to get things done in *guanxi* relations in the Chinese business world. Sometimes embedded in underground economies and 'black society' (*hei sheshui*) networks, this *wu* masculinity often draws upon brotherhood codes and an ethics of 'honour in personal relationships' (*yiqi*) thought to be embodied in Guan Yu (see Osburg 2013: 30). It was revealing that a group of more uncouth and extrovert men from rural Hunan Province, who did jade trade as a side-gig to their hotel business in Ruili, had their best jade carved into pendants depicting Guan Yu, a jade carving popular among some Chinese businessmen.

This group also preferred 'noisy' (*renao*) guanxi sociality in banquets, KTVs and gambling parlours over the 'quiet' (*anjing*) contemplative conversations over tea that many jade carving artists enjoyed. Guanxi sociality among the Hunan gang sometimes expressed hierarchy through deference in toasting in alcohol and in asymmetrical exchanges of cigarettes that 'flow up' in the hierarchy (see Yan 1996; Wank 2000). In turn, interactions among the jade carving artists seemed based on a more egalitarian ethos of friendship that was mediated, among other means, by 'sharing' tea, which in being poured from the same teapot hosts a uniform and thus 'equal' consistency (see Zhang 2014: 167). While both *wen* and *wu* masculinities are part of the cultural repertoires of both jade traders and jade carving artists, these examples underline how both particular jade properties and carving shapes and materials like alcohol, cigarettes and tea can signify and mediate different types of social relationships in China, including hierarchical guanxi and egalitarian friendship.

Jade is also held to possess both spiritual and somatic efficacies in China. Many of my interlocutors believed jade jewellery worn on the skin to be efficacious in conditioning human blood circulation and life energy (*qi*), improving luck, warding off accidents and malfortune and in transmitting the spirit (*jingshen*) and karma (*ye*) of its previous owners onto its new owners. For example, a Shanghainese jade user warned about buying second-hand jade in pawnshops because you do not know which karma has been accumulated in the jade. She wore a jade bracelet inherited from her great-grandmother, and figured that since her great-grandmother had belonged to a rich Shanghainese family before the communist take-over in 1949, the karmic transmission should be favourable. But in articulating this, she became unsettled: 'Actually, I don't know if my great grandmother had accumulated some bad karma that could be passed on to me. She had money, but later it went downhill. And my grandmother was targeted during the Cultural Revolution'. Some gifts of jade can thus host human biographies and mediate actions, events and social relationships beyond the individual human lifespan.

Pointing to a mutual material-somatic conditioning of jade and humans, some interlocutors explained that wearing a jade bracelet on the wrist for many years will reduce the number of 'spots' (*bandian*) on the skin of the wrist, making the skin appear younger, while jade becomes 'smoother' or more 'lubricated' (*run*) when worn on human skin, a highly valued quality of good jade. Some said the efficacy of

this process is contingent upon the graded quality of the jade, such that high-grade jadeite performs this effect more thoroughly than low-grade jadeite or nephrite.

Jade in China is thus not solely a passive generic repository for symbolism, but also an agent that, based on its particular material constitutions, interacts with humans in mutually constitutive ways. Furthermore, in specifying and effectuating forces like *qi*, luck and karma, jade provides a window into 'Chinese' ontological assumptions about elements, forces and interrelations that constitute the world. While recent critiques of human-nonhuman and culture-nature oppositions in anthropology are sometimes labelled non-dualism, the opposite of dualism might more precisely be characterised as monism, which roughly has it that all phenomena are of the same substance (Cook 2013). Elaborating on Descola's (2013b) fourfold ontological scheme, which compares the ontologies of animism, totemism, naturalism and analogism, William Matthews (2017) discusses how contemporary Chinese divination based on *Yi Jing* ('Book of Changes') assumes a monist ontology, which is characterised by continuity of physicality and interiority on a cosmic scale. Matthews labels this ontology 'homologism'. It is based on a single energy-substance, *qi*, that stems from a single origin, is characterised by constant transformation and renders 'every aspect of cosmic dynamism a particular configuration thereof' (Matthews 2017: 272, 274). If opposites are not considered mutually exclusive, dualism could be encompassed by monism. In that case, Matthews' monist 'homologism' seems a suitable term for capturing how both jade and people are thought to be animated by *qi* and to host and interact through mutually constitutive opposites such as *yin* and *yang*. As one jade user explained, 'You cannot say that jade is *yin* or *yang*. You need both. Jade can nourish you, and you can nourish jade. *Yin* and *yang* must be in balance'.

Rather than conclusively determining jade as either one thing or another, jade traders, carvers and users emphasise mutual cultivation and complementary of differences in their engagements with jade. Object-oriented and ontological approaches allow us to see this partial indeterminacy not only as a result of jade being interpreted differently in different social contexts, but also as emanating from the diverse material properties of jade and from an ontology that has processes and relations, more so than mutually exclusive units, as its foundation.

This outline of uses and meanings of jade has pointed to how jade materialities, cultural history and ontology influence human interactions

with, and through, jade in China. The focus has been on affective, spiritual, moral and somatic efficacies and relationships mediated by jade. We now shift focus from what, following Appadurai (1986), we might call the 'gift-potentials' of jade to social relationships that are to a greater extent mediated by jade as a commodity and economic valuable.

## **Jade and Guanxi: Investments and Market Fluctuations**

In November 2015, I discussed different investment options with jade traders in Shanghai. This was after a growth of more than 150 per cent in Shanghai's stock market between June 2014 and June 2015, which was followed by a crash that saw the Shanghai Composite Index fall by more than 20 per cent in August 2015 (after a similar plunge in July). One jade trader described the stock market as a gamble. 'It is much safer to invest in jade', she said, 'jade will always be valuable'. For some Chinese investors, the properties, meanings and efficacies of jade outlined above also feed its commodity-potential, making jade a more eligible investment than less tangible valuables like stocks. Still, jade is also susceptible to market fluctuations as capital flows into, and out of, different valuables. While I have employed a culturalist and ontological explanation for the historically continuous fascination with jade in China, an institutionalist approach that takes contemporary economic and political developments into account better explains short-term jade market fluctuations. Such market fluctuations may, in turn, elucidate how jade can mediate guanxi. Whereas the previous section focused on congruities between jade, people and social relationships, this section points to how the making and maintaining of guanxi relations can be contingent upon the material properties of jade.

A node in centuries-old cross-border trade routes spanning Tibet, Yunnan and Southeast Asia, Ruili has, since the re-opening of China-Myanmar border trade in 1988, developed into a primary hub for Chinese import and trade of jadeite jade from Myanmar. In 2013, Ruili hosted around 8,000 jade shops and six major jade markets, and at least 50,000 people of the city's registered population of 187,000 were directly involved in the jade trade. A recession occurred between summer 2013, when prices and demand were rising for most jade product categories in Ruili, and spring 2014, when Ruili's traders reported declining demand and falling prices for some jade categories. Ruili's jade traders ascribed the jade market recession to an

economic slowdown and to a national anti-corruption campaign in China.

First, an economic slowdown in China made people cautious about spending. China's annual GDP growth dropped from 14.2 per cent in 2007 to 9.2 per cent in 2009 following the global economic crisis in late 2008. China's real-estate market had seen average housing prices triple from 2005 to 2009. But as the government imposed new taxes on property ownership, many people redirected investments elsewhere from 2009, and Ruili's traders said demand and prices for jade boomed from 2009 to 2013. Due to stimuli packages after 2008, China's economy recovered short-term, but dropped from 12 per cent in 2010 to 7 per cent in 2015, the lowest in 25 years. With declining economic growth, some jade market sectors saw a drop in demand from late 2013, followed by a stock market boom-bust cycle in 2014–2015. Investments in jade thus develop in contingency with fluctuations in national economic growth and in other markets like real-estate and stocks.

The second institutional reason for declining demand in some jade markets in 2014 is a nationwide anti-corruption campaign initiated in 2012, which had seen over one million cadres disciplined by October 2017. As part of the campaign, over 100 kilograms of jade was seized from the former vice chairman of China's Central Military Commission and a former provincial governor was found to have accepted USD two million in bribes, 80 per cent of which were in jade, while a mining tycoon was accused of paying off government officials with jade (Global Witness 2015: 37). Mrs Zhang does currency exchange for jade traders in Ruili, while her husband is a jade trader. I interviewed Zhang in summer 2013, when Ruili's jadeite markets were booming. She explained:

Jade is a good investment. I bought this ring [a jade ring on her finger] five years ago for 30.000 Yuan.<sup>1</sup> Now it's worth 200.000 Yuan. You see, government officials only earn around 3.000 Yuan per month. So many of them steal money from the government. They use the money to buy jade, use jade to launder the money. Later they sell the jade and tell people their money is from jade. Government officials are the biggest jade customers. But they have too much money, they need to make it clean, so they pay too high prices for jade, and jade prices keep rising. The prices are actually too high now. Many businessmen also use jade as gifts. For example, if a businessman wants to set up a factory and need a government official to help [with permits], the official will not accept money, but will accept jade as a gift. Then later he sells the jade for money.

Echoing other traders whom I interviewed in Ruli, Mrs Zhang points to how jade can be a means for laundering illegally obtained money, as well as a currency of bribes in guanxi relationships between businessmen and government officials, for example as a 'gift' in exchange for a permit. The material properties of jadeite make it suitable for these purposes. First, like other gemstones, a small piece of jadeite can contain a high, and easily convertible economic value in a compact material; it is easy to transport, exchange and hide, and its origin is hard to trace (see also Naylor 2010: 132). Secondly, each jadeite piece is unique, and unlike standardisable materials like gold, there is no standard price calculation for it. Thirdly, an opaque layer of stone 'skin' (*pifu*) covers unprocessed jadeite stones, so traders cannot positively know which jadeite 'meat' (*rou*) hides beneath their skin. Such opaque jadeite stones are called 'gambling stones' (*dushi*), and their interior content is only gradually revealed when traders grind 'windows' (*chuang*) into their surface skin, cut them open and have them carved, which can significantly increase or decrease their initial prices. Government officials possessing valuable jadeite may thus claim to simply have made a good deal, buying a stone for a cheap price that turned out to contain high-grade jadeite after being cut open, or to have bought jadeite cheaply or received it as a gift years ago, which has become more valuable with the market boom.

The boundaries between mutual aid, reciprocity, gift giving, bribery and corruption are not always clear-cut, and informal practices can be both supportive and subversive to state institutions (Kipnis 1997: 148-149; Yang 1994: 52-53; Ledeneva 2008: 141). While official discourse often associates guanxi with corruption, popular Chinese discourse has distinguished between corruption, where instrumental material exchanges may occur between people with no previous relationship, and the moral economy of *renqing* ('human sentiments') that guides exchanges between people in established guanxi relations (Yang 1994: 62-63). Some studies in China's reform era indicate that the affective ethics of *renqing* in guanxi relationships is stronger in close-knit rural communities, whereas instrumental aspects of guanxi between relative strangers are more prevalent in urban areas and in business contexts (Yang 1994; Yan 1996; Kipnis 1997; Osburg 2013). In Ruli's jade trade, where traders often do business with initial strangers, guanxi often has instrumental purposes, even if traders may call each other friends or 'brothers' (*xiongdì*) after a night of drinking together at the KTV.

In 2014, Ruili's traders said that due to the anti-corruption campaign, few officials dared to buy or receive expensive jade, and many buyers diverted investments from high-grade jadeite to cheaper jade types and to cheaper gemstones, including amber, agate and tourmaline. This development highlights how capital flows may rapidly change course due to factors like state regulation, economic crises and collapsing consumer demand (Van Schendel 2002: 662). In what follows, I propose an explanation for changes in demand and prices for three main jadeite categories in Ruili in 2014-2015. This exercise is pertinent because it shows how institutional factors such as economic growth and the anti-corruption campaign in China, alongside jade supply in Myanmar, influenced different jade markets in Ruili differentially. The empirical insight that market developments of distinct jade product categories in Ruili are unique but mutually contingent underlines the relevance of detailed market ethnographies.

While macro-economic fluctuations and the anti-corruption campaign influence consumer demand in China, price formation is also structured by the supply of jadeite in Myanmar. Currently, the only legal way for foreigners to buy unprocessed jade in Myanmar and export it abroad is through official gem emporiums organised by Myanmar Gem Enterprises, a state-owned enterprise that regulates the gemstones sector and does gemstone mining through joint ventures with private companies, which are increasingly backed by Chinese investors. The gem emporiums are usually held twice a year, but have been halted periodically due to fighting in Myanmar's Kachin State between Myanmar's national military and the Kachin Independence Army.

Jadeite is at the emporiums graded into 'imperial', 'commercial', and 'utility-grade' jadeite. The Myanmar Gem Enterprises set the percentage of Imperial-grade jadeite sold at the 2014 emporium at 0.005 per cent with an average price of USD 871,809 per kilogram, commercial-grade jade at 6 per cent at USD 2,675 per kilogram, while utility-grade jade accounted for 94 per cent of sales at USD 204 per kilogram (Oak 2018). In 2014 and 2015, traders in Ruili said that 1) consumer demand for high-grade jadeite was declining, but that prices kept rising; 2) that both demand and prices for mid-grade jadeite were declining; and that 3) demand for low-grade jadeite increased, while prices decreased.

**Figure 1. Market developments for three main jadeite categories in Ruili in 2014 and 2015**

Jadeite type	Imperial (top) grade	Commercial (mid) grade	Utility (low) grade
<b>Demand</b>	Declining	Declining	Rising
<b>Price</b>	Rising	Declining	Declining

On account of its high value, imperial-grade jadeite is more likely to be used as bribes and to launder money, and therefore likely to see declining demand due to the anti-corruption campaign. But Ruili's traders also say the mines are being depleted of imperial-grade jadeite, and the re-eruption of war in Myanmar's Kachin State in 2011 diminished supply in some periods. This perception of scarcity may explain why prices for imperial-grade jadeite kept rising in Ruili in 2014-2015. A decline in disposable income due to China's economic slow-down may account for a diversion from commercial-grade to utility-grade jadeite jewellery for consumers. A relative abundance of utility-grade jadeite and competition between vendors, amplified by the rise of online trade at this time, are plausible factors driving down prices in this jade category. These developments underline that, rather than a single market, Ruili's jade trade constitutes a diverse field of product categories, the markets for which are both mutually contingent and conditioned by macro-economic and political factors.

While institutional regulation of illegal or illicit exchanges of jade among businessmen and government officials was one factor in the declining demand for imperial-grade jadeite in 2014-2015, guanxi remained an important means for facilitating transactions in Ruili's jade trade. We now turn to how guanxi is practiced and morally framed by some of Ruili's jade traders.

### **Guanxi in Ruili's Jade Trade: Risk, Trust, Affect, Instrumentality**

We have seen how jade can mediate guanxi, for example as gifts or bribes between businessmen and government officials. In turn, guanxi ideally creates trust and reciprocity, thereby mitigating risks and facilitating transactions in jade markets that are not structured by contractual relations. Guanxi may not only evoke but also create affective sentiments not previously present (Kipnis 2002: 25). Still, some

younger jade traders see *guanxi* as a formal, hierarchising, instrumental and insincere interaction form when compared to other relationships like friendship, and seek to keep those relationships separate.

As noted, unprocessed jadeite stones are covered by an opaque layer of stone 'skin', so traders cannot positively know their content before they are cut open and carved. Furthermore, each jadeite piece is unique and graded according to a range of parameters, including mining location, geological age, texture, colour, transparency, translucency and inclusions. This singularity and partial indeterminacy of jadeite creates uncertainties and anxieties regarding its quality, value and authenticity. For long-term jade traders, these uncertainties engender economic gambling, which, combined with navigation in an uncertain landscape of informal cross-border trade, sediments as an ethos of risk-taking (Chang 2006, 2011). Traders cultivate *guanxi* with suppliers, transporters, carvers, middlemen and other traders to secure jade supply, investment capital and customers. Meanwhile, inexperienced buyers attempt to cultivate personal trust to reduce the uncertainties and economic risks involved in buying jade. 'Personal trust' is a particularistic trust between people connected by kinship, friendship or *guanxi*, as opposed to 'social trust' as a generalised trust in social institutions and universal rules (Yan 2011: 71). Yunxiang Yan (2011, 2012) points to a lack of social trust in China that derives from corruption, censorship, lack of political participation and transparency and an abundance of sub-standard, counterfeit and dangerous goods. Ellen Oxfeld (2010), in turn, details a comprehensive everyday ethics manifested in *liangxin* ('conscience'), which entails remembering and acting upon moral obligations, and argues against claims of a moral vacuum in contemporary China. These two positions are not necessarily mutually exclusive, and similarly to Oxfeld's study, Yan's (1996) earlier work also details the ethics and moral economy of gift giving in a rural Chinese setting. What the jade case illuminates is not whether trust, reciprocity and ethics are pertinent in China, but rather among whom.

Chinese jade traders, who engage with initial strangers and with goods that are not always what they seem to be, often seek to establish something akin to the personal trust and reciprocity that has traditionally governed material exchanges in close-knit rural settings, as state agencies and written contracts are often not considered eligible or capable of mitigating risks. While Ruili's jade trade is officially regulated by laws and institutions that, for example, sanction sales of counterfeit

jade, traders and buyers mostly employ informal mechanisms of trust-making by cultivating personal relationships to reduce risks and optimise value in the trade.

Until around 2015, Ruili's jade trade was concentrated in the Zhuobaojie bazaar. Most jade shops are family businesses or run by friends from the same hometown, who often cooperate with other traders, so jade circulates in Ruili through networks structured by kinship and guanxi relationships. If a buyer wants a particular jade product, a shop owner may 'borrow' it from another shop and sell it with a cut. Also, traders without shops give jade to shop owners who get a cut from selling them, while shop owners give jade to middlemen, who sell it to buyers in their guanxi networks. Traders also pool money to buy expensive jade stones. Banks do not provide loans for purchasing jade, because the trade is considered too risky, and investment capital is often distributed as credit with jade used as security. In 2013, a trader said that you could generally borrow 50 to 70 per cent of the estimated value of jade deposited with a creditor at a monthly interest rate of three to five per cent.

Many traders are organised in gem trade associations (*zhubao shehui*) based on ethnicity, regional affiliation and professional status. There is thus a Rohingya, a Kachin, and a Fujianese gem trade association in Ruili, while members of the Ruili Gem Trade Association are elite jade traders and carvers, mostly Han Chinese, but also of other ethnicities. Traders communicate their concerns via the gem trade associations to agencies under the Ruili city government, which, in turn, exercise laws, policies and development plans in cooperation with the associations. The gem trade associations are arenas for cultivating guanxi, and members sometimes invest together in expensive stones at the gem emporiums in Myanmar. Traders may also acquire loans to buy jade stones from their gem trade association by posting their house or land as collateral.

Some middlemen approach tourists in the street and bring them to shop owners with whom they have guanxi, often for five to ten per cent of the sales price of purchases. These middlemen, who are called 'yellow bulls' (*huangniu*), attempt to form relationships with inexperienced buyers, which ideally reduce the buyers' perceived risks of being cheated. Also, tour guides bring tour groups to jade shops for a middleman cut. Most tourists accept that the tour guide receives a commission, because they expect the guide to take them to shops that do not charge unreasonable prices or sell counterfeit jade.<sup>2</sup> While one

shop owner complained that tour guides demanded a middleman cut even for tourists who shopped with him outside their 'tour program', guanxi between tour guides and shop owners is generally seen as mutually beneficial. This practice was also targeted by the anti-corruption campaign, and some big jade companies halted their arrangements with tour guides from 2014, but the practice continued in many smaller jade businesses. Mrs Wang, who adds 20 to 30 per cent to her prices as commission for tour guides bringing tourists to her shop, explained:

Now Xi Jinping has forbidden it. But they cannot check it here. All Chinese people know the tour guide gets a profit. They think it is a guarantee that the jade is genuine. In China, there is always a way to go around the policy. We have no written agreement, so it is difficult to prove. Tour guides provide good service; they pick customers up at the airport [in Tengchong or Mangshi] and take them to our shops. And buyers pay less for jade here than in cities like Shanghai.

Traders consider tourists the best customers, because they do not know jade and local price levels well. Many tourists spend a lot of money during their vacation, and some do not bargain hard when traveling in groups, because they do not want to be seen as poor or stingy.

Clifford Geertz (1963) distinguished between 'firm-type economies', characterised by fixed prices, impersonal transactions and competition between sellers, and 'bazaar-type economies', characterised by a 'sliding price system' of bargaining and competition between buyer and seller. Bargaining applies in many Chinese bazaars, but it is also the singularity, opacity and complexity of jade itself that hinders fixed price standards. Alongside the presence of counterfeit jade in the bazaar, the difficulties in evaluating jade engenders risks and mistrust regarding its authenticity, quality and value. Mistrust can be socially productive, for example in allowing for mediators to emerge in markets (Humphrey 2018). For inexperienced buyers, buying jade often involves attempts at creating personal trust in mediators, such as in the case of tourists who assume that tour guides will bring them to trustworthy vendors. Meanwhile, Ruili's professional traders use expressions like 'the stone doesn't cheat people, but people cheat people' and 'never trust the vendor, only trust the stone'. They emphasise that the most important asset in the jade trade is sensory knowledge about jade cultivated through their long-term tactile engagements with the material. In other words, jade professionals transfer the focus of trust from person-to-person relations to person-to-stone relations.

Nonetheless, traders rely on cultivating guanxi with big buyers to make them return for later jade purchases. Also, the pooling of capital and the borrowing and lending of jade among traders requires personal trust. Such personal trust is lubricated by social consumption, sharing, giving and receiving in banquets and KTVs. Learning which cigarette brands to give, how to propose toasts and with which kinship terms to address interlocutors in banquets and KTVs was part of my socialisation into local guanxi in Ruili. My own guanxi was also sometimes mediated by gemstones, as I reciprocated gifts of jade with amber, and traded Danish amber within my expanding social network to acquire a practical experience of Ruili's gemstone trade as a participant. I learned how guanxi involved calibrating intimacy and distance, openness and secrecy, to create functional relationships that are framed within a discourse of affect and social kinship, but are nonetheless distinct from friendship and biological kinship; a social balancing that may be described as 'intimate distance' (see Bunkenborg, Nielsen, and Pedersen 2022). For example, I told an amber buyer that my uncle makes alcohol with amber dust, which resonated with her, because crushed jade has been used to make medicinal potions in China. But a friend warned me that the amber buyer might copy our idea and that I should be secretive with business information to people who were not close friends.

Noting that whereas legalistic state power formally operates with a universalist ethics, guanxi operates on a personalistic, relational ethics modelled on kinship, Mayfair Yang (1994) saw guanxi as supporting a 'people's realm' (*minjian*), separate from and potentially subversive to the state. To some extent, the potential of guanxi escalating into corruption threatens the legitimacy of the Chinese Communist Party. However, my findings are more in line with John Osburg's (2013) research in Chengdu, which found guanxi to tie together entrepreneurs and officials in elite networks embedded in moral economies and codes of elite masculinity and corruption. Ruili owes its recent economic development to the jade trade. Here, the local jade trade elite is best seen in symbiosis with the city and prefectural governments, rather than as a subversive force to them. I witnessed this symbiosis in interviews with officials who also did jade business and in many nights in KTVs with mixed groups of elite jade traders and officials.

On the interpersonal level, some interlocutors saw guanxi as having interactions as a means towards instrumental ends, and contrasted guanxi with friendship as a sociality that has interaction as an end in

itself. Mr He is the general manager of a jade company in Ruili with 20 employees. The company's Chinese-Burmese owner leases more than 50 jade mining pits in Myanmar, which turn out high-grade jadeite that is sold as 'gambling stones' and as jewellery in Ruili. A big part of Mr He's job is to entertain clients. For example, if big jade buyers or journalists from Beijing are in town and want to go to a KTV, a gambling parlor or get a massage, Mr He arranges it. Sometimes, gambling sessions last all night, and he cannot go home to sleep before the clients do. When we have banquets, Mr He offers toasts and gives cigarettes to clients on behalf of the company director. Mr He differentiates between his friends and his *guanxi* relationships in the jade business: 'It is a principle for me to have friends outside my business. If we do business together it is not a pure relationship', he says. He describes doing business and *guanxi* as acting a role:

In Chinese business, you must learn how to deal with relationships. You cannot be yourself; you must be an actor. In this job, I am an actor. But outside the job, I am a different person; I am totally open. *Guanxi* is about adjusting your behaviour; about how close or open you should be to people. I must evaluate people in a short time; is it an open person? Some customers rank people. I must see this very fast. If the customer is this kind of person, I must act very honourable, show respect. For example, when I serve tea to customers, I must pour the tea gently. There's a correct and polite way of pouring tea. You have to be formal in your body language.

*Guanxi* can be seen as a front-stage sociality, where deference, politeness, formality and rituality guide and are expressed in ways of distributing particular cigarettes, toasting in alcohol and pouring tea. Mr He also contrasts this frontstage sociality of *guanxi* with fishing and playing basketball with his friends, which constitutes a more sincere backstage sociality, where he can be himself. *Guanxi*, as Mr He says, can feel like acting a role.

While *guanxi* often evokes, and ideally produces affective sentiments, the application of an ideology and discourse of friendship to instrumental and asymmetrical relationships may have the unintended effect of creating social distance, as Bunkenborg, Pedersen and Nielsen (2022: 36-38, 47-51) demonstrate in cases of interethnic relationships between Chinese businessmen and locals in Mongolia. Likewise, applying excessive politeness to interaction partners can be seen as inappropriately formal and hierarchical in the egalitarian context of drinking alcohol among ethnic Jingpo (Møller 2019: 88-89). Such frictions may be more pronounced in inter-cultural and inter-generational

interactions, where participants hold different ideals of hierarchy and equality and calibrate intimacy and distance differently. Nonetheless, the social art of guanxi in Ruili's jade trade often involves balancing interactions that have instrumental purposes but ideally produce affect, and that maintain hierarchical social positions while also evoking more egalitarian sentiments of commonality and friendship.

## **Conclusion: Congruity and Contingency of Jade and Guanxi**

This article has discussed how jade mediates guanxi and how guanxi mediates jade trade in China. On the one hand, gifts of jade can mediate both affective bonds, for example as wedding gifts and heirlooms, and more instrumental guanxi relationships, for example as a gift from an entrepreneur to an official in exchange for a building permit. On the other hand, guanxi also underpins Chinese jade trade as a means for mitigating risks and creating personal trust through consumption and exchanges in social arenas like banquets and KTVs.

I have argued that both the particular materialities of jade, its cultural history and ontological assumptions about the constitution of the world underpin the unique fascination with jade in China. Outlining some affective, spiritual, moral and somatic meanings and efficacies of jade in China, the article has presented *congruities* between jade, people and social relationships. Such congruities can take the form of both analogy (similarity) and homology (underpinning by the same force or principle). For example, among some male jade carving artists, the idealised purity of jade constitutes a material template for self-cultivation and interaction that resonates with Confucian masculinity ideals such as *junzi* ('gentleman') and *wen* ('scholarly masculinity'). The affective, spiritual, moral and somatic meanings and efficacies of jade in China also make it a valuable commodity and investment object. The article has further presented *contingencies* between jade and guanxi, which are, in addition, influenced by institutional factors like economic growth and national policies. The compact, opaque and not-easily-traceable materiality of jade has made it a popular currency of bribes in guanxi relationships between businessmen and officials, and demand for high-grade jade therefore has declined following a national anti-corruption campaign in China.

The making and maintaining of guanxi can thus be facilitated by jade. In turn, guanxi facilitates jade trade as a social means for establishing

personal trust in markets that are characterised by risks and uncertainties. Such risks and uncertainties derive both from a lack of contractual relationships in jade markets and from difficulties in evaluating the quality, authenticity and value of jade; that is, from the particular material properties of jade itself. Jade carvers, traders and buyers commonly make and maintain *guanxi* in social arenas like banquets and KTVs. While interactions in such arenas often evoke and sometimes produce affective sentiments, they commonly have instrumental purposes, and some younger participants experience such interactions as overly formal, hierarchical and insincere, when compared to other relationships such as friendship.

Studies of *guanxi* in China's reform-era tend to privilege social relationships as meaning-giving contexts for material exchanges of objects that are assumed as generic repositories for signification. This article has instead foregrounded how the particular materialities of jade in themselves guide meanings and mediate social relationships in China. Based on the examples of 'material-social congruity and contingency' between jade and *guanxi* in China, I argue that we should approach both social relationships and objects as effective, composite and particular, rather than generic, variables in material exchanges.

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## NOTES

- 1 The exchange rate was approximately 1 Chinese Yuan to USD 0.16 and Euro 0.12 during my fieldworks.
- 2 In China, jade is often graded as A, B, C and D-level jade. A-level jade is untreated or subjected only to colorless wax polishing, while B, C and D-level jade

has been treated with acid, bleach, polymer plastic and/or color or includes non-jade materials marketed as jade. Many traders consider only A-level jade genuine (see Møller 2019: 303-306).

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