The Social Networks Supporting Pakistani Traders in Yiwu: A Comprehensive Analysis

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Abstract

This study explores the role of social networks in the success of Pakistani traders in Yiwu, China, with a focus on kinship, peer-to-peer, and religious networks. Building on Granovetter's theory of weak ties and social capital frameworks, it examines how these networks provide emotional, instrumental, and business support in navigating Yiwu's

complex market. The research highlights how social gatherings in halal restaurants, mosques, and online platforms facilitate trust-building, knowledge-sharing, and partnership formation, helping traders mitigate risks and overcome institutional barriers. Drawing from ethnographic fieldwork, including participant observations and interviews with 54 Pakistani traders, this study reveals that both strong kinship ties and weak, newly formed connections are crucial in the traders' operations. The findings contribute to the understanding of how immigrant entrepreneurs use social networks to thrive in foreign markets. This research emphasizes the importance of trust and community-based support in transnational trade, offering valuable insights for policymakers, business scholars, and migrant entrepreneurs.

1. Introduction

"Our networks, both old and new, are the lifeblood of our business operations here in Yiwu"-remarked a Pakistani trader in the Futian Market.

This paper examines the social networks Pakistani traders in Yiwu have built. Their success is not solely about individual skills but also about their relationships, both long-standing and newly formed. This paper explores kinship-based, peer-to-peer, and religious networks, each serving distinct functions such as emotional support, religious bonding, and business needs. Granovetter's (1973) theory on weak and strong ties is key to understanding how these traders navigate their business environment. Pakistani traders have a history of migration to China, shaped by factors like China's economic reforms, Pakistan's policies, and trade agreements. This context influences their current situation in Yiwu and the role social networks play in their business success.

Weak ties, formed through social gatherings in public spaces, help traders access new information and opportunities, complementing the strong kinship-based networks that support their business operations. These networks provide emotional, religious, and instrumental support. The importance of both formal market mechanisms and informal social capital in supporting Pakistani traders' commercial activities is evident. Research on immigrant entrepreneurship has highlighted the importance of social networks in facilitating business success, particularly when formal institutional support is limited (Portes, 1995; Light & Gold, 2000; Urban et al., 2024; Dabić et al., 2020). This study contributes by focusing on Pakistani traders in Yiwu, a relatively under-researched group, highlighting the challenges and opportunities they face in a rapidly globalizing economy. Recent studies (Chan & Zheng, 2022; Solano, 2023) showed that migrant networks are crucial in facilitating cross-border trade and investment, and these findings are mirrored by Pakistani traders in Yiwu, where social networks help navigate international trade complexities.

The role of social networks in immigrant entrepreneurship, especially within kinship, ethnic, and religious networks, is essential for success (Redding, 1990; Hourani, 1995; Ong, 1999; Zhou, 2004; Douw et al., 2001). Trust, a key element of social capital, strengthens these relationships, fostering cooperation and reducing risks. Pakistani traders' reliance on ethnic enclaves like restaurants and mosques for business networking and social integration is critical. Studies (Aleksynska & Peri, 2014; Bratti et al., 2014) emphasize how such networks reduce knowledge barriers and facilitate international trade. Additionally, the research by Cook et al. (2001) and Cook & Cooper (2003) underscores the importance of trust in networks for operational success, especially in foreign environments where legal protection is limited and the risk of failure is high.

Pakistani traders in Yiwu have created vibrant ethnic enclaves, with restaurants and places of worship serving as critical business networking hubs. These spaces, both offline and online (e.g., WeChat, Facebook), facilitate the exchange of critical business information and foster long-term partnerships. These spaces are crucial in blending social and economic integration, enabling traders to share information, form partnerships, and navigate foreign markets. Hannerz (1996) notes the dual-purpose nature of these spaces, combining social and

economic integration, and how this interaction plays a key role in business success.

The concepts of "network society" (Castells, 1996) and "mixed social networks" (Vertovec, 2007) help explain the dual nature of Pakistani traders' networks in Yiwu. Both kinship-based ties and newly formed business connections play vital roles in their success. Granovetter's (1973) theory on weak ties highlights the role these connections play in accessing diverse resources. This study examines how these networks, blending strong and weak ties, support transnational entrepreneurship, facilitating access to diverse opportunities and reducing the costs of international business operations.

Social capital, which includes resources accrued through social networks, plays a significant role in the success of Pakistani traders (Putnam, 1993; Bourdieu, 1986; Helliwell & Putnam, 1995; Lin et al., 2001). Trust is built through network closure, reinforcing the importance of these networks in business interactions. This study is one of the first to focus on the Pakistani trading community in Yiwu, offering new insights into the intersection of social networks and immigrant entrepreneurship in an under-researched environment. The paper concludes by examining three key types of networks active among Pakistani traders in Yiwu: kinship-based, peer-to-peer, and religious networks. This analysis highlights the contrasting strategies of these groups in navigating Yiwu's commercial landscape.

2. Methods

The methodological framework for this study draws on ethnographic fieldwork in Yiwu. In 2024, the researchers conducted four months of fieldwork in Yiwu to explore in depth the context of Pakistani traders and their commercial activities, social networks, as well as broader socio-cultural aspects that shaped their business practices. Ethnography was selected as the method to capture subtly positioned social network dynamics and everyday commercial processes. This method was chosen because it allows for an in-depth exploration of the lived experiences of Pakistani traders in Yiwu, which is more effective than surveys or case studies for understanding the complex, informal nature of social networks in this context.

The researcher observed how traders relied on both kinship ties and newly formed social connections in public spaces such as restaurants, mosques, and barber shops, gaining insights into how these networks function as a form of social capital. Here, participant observation and a combination of structured and unstructured interviews with fifty-four respondents were employed along with purposive sampling to provide an extensive picture of the Pakistani trading community in Yiwu. Thematic analysis was used to analyze the data from the interviews and observations, coding the responses to identify recurring themes and patterns related to social network dynamics and business operations. This method consisted of traders from different size businesses and experience levels, thus presenting a broad view on the evolution of social networks through time.

Interviews were conducted at the informant's office, restaurants, mosques, cafes and shops which served as the frequent meeting spots for the Pakistani community. The Yiwu main mosque and a Chouzhou North Road registered prayer place were the sites where the

researcher frequently visited to observe religious practices to understand their role in trust-building and community solidarity. Moreover, being a Pakistani allowed the researcher to relate more closely with informants, which enabled collecting sensitive information and identifying nuances of culture that might less be known to an outsider. This research had a central emphasis on ethical considerations. The researcher has ensured confidentiality for all participants, who provided verbal, informed consent during the study. Pseudonyms were used to protect the identities of informants, ensuring that sensitive business information and personal details remained private. These steps upheld the ethicality and the rights and privacy of participants as researched. This research adhered to ethical guidelines dealing with migrant communities, understood the vulnerabilities of its participants and exercised care when handling their data and experiences.

Located two hours by high-speed train from Shanghai, Yiwu is a city of around two million people. It is renowned for the International Trade City — also known as the Yiwu Market — which was founded in 1982 and is operated by Zhejiang China Commodities City Group Co., Ltd. Yiwu has emerged in the last decade as a crucial hub for global trade — especially of low-cost Chinese goods through `globalization from below' (Mathews, 2011; Sassen, 2001). Considering the global importance of Yiwu in international trade, our research setting enables us to view this local end within a broader context of transnational trade and immigrant entrepreneurship. This article now turns to three particular types of Pakistani trading networks in Yiwu, highlighting their backgrounds and strategies for navigating the commercial landscape.

3. Classification of Social Networks

3.1 Intra- Pakistani Networks

3.1.1 Kinship-Based Network

Kinship-based networks, rooted in familial ties, offer emotional and operational support. Faisal, a 42-year-old trader in Yiwu, manages his family's expanding business. The family enterprise began as a small clothing shop in Karachi, Pakistan, in 1980, and grew into a large business with outlets in major cities like Lahore, Islamabad, and Peshawar, operating both as retail stores and wholesale hubs. In 2007, Faisal and his brother expanded by establishing a wholesale center in Dubai, sourcing products from countries like Thailand and South Korea. By 2012, Yiwu became the primary hub for their clothing orders, leveraging both strong kinship ties and weak ties in Yiwu's market (Granovetter, 1973).

Faisal's business acumen developed early, learning from his father and brother on sourcing trips to countries like South Korea, Thailand, and Guangzhou. He later earned an MBA and became fluent in Chinese, skills crucial for international trade. By 2024, Faisal also ventured into the perfume industry, sourcing products for his Dubai-based company. This expansion illustrates how kinship-based networks help traders broaden their businesses beyond family ties.

Most Pakistani traders in Yiwu, however, operate on a smaller scale, managing small wholesale or retail shops. Like Faisal's family, these traders often send trusted family

members to Yiwu to oversee product sourcing, eliminating intermediary costs. This kinship-based approach offers stability, reduces reliance on commission agents, and ensures trust among family members (Fukuyama, 1995). However, challenges exist as family members may lack local market knowledge or face language barriers, slowing down business operations. Senior traders often mentor juniors to ensure smooth business transitions, reinforcing the role of kinship in sustaining businesses.

The emotional trust within these networks enhances business stability. This commitment is particularly vital for transnational businesses, where distance can complicate operations. Despite the advantages, kinship-based businesses face challenges like market knowledge gaps, language barriers, and longer timeframes for establishing reliable supply chains. To address these, senior family members mentor younger ones, helping them navigate the complexities of Yiwu's market. Kinship ties not only strengthen business stability but also drive collective purpose in the family enterprise.

3.1.2 Peer-to-Peer Networks among Pakistani Traders

Peer-to-peer networks, formed informally in public spaces, provide both business and emotional support. Muhammad, a trader in Yiwu since 2002, recounted his early struggles in Yiwu. *"I landed here in 2002, the moment I stepped in Yiwu, I knew I was in over my head. The characters on the signs, the noise, the way people bargained—nothing made sense."* he said. Working for a Pakistani logistics firm, Muhammad faced challenges such as making mistakes in customs declarations. *"What saved me were my Pakistani brothers here,"* he explained, highlighting the importance of peer support (Coleman, 1988). One experienced trader helped him by mentoring him informally, teaching him how to communicate effectively with Chinese suppliers. These peer relationships were formed over casual conversations, often during meals or outside smoking, where trust and business advice were exchanged (Granovetter, 1973).

Muhammad's peer network helped him survive and thrive in Yiwu. He said "*My first three clients came from referrals—word of mouth, straight from the mouths of my peers. I would sit at the coffee shops, restaurants or meet in the mosque courtyard after prayer and someone would say, 'Oh, you are doing freight now? My cousin's looking to ship goods to Karachi—talk to him.' That is how I built my base.*" Informal spaces like restaurants and mosques are key for peer relationships, where traders share supplier tips and business strategies. This face-to-face exchange builds trust and offers emotional support, which helps traders overcome difficulties and succeed. Muhammad's experience demonstrates how these networks provide instrumental support, emotional encouragement, and business opportunities.

Ali, another seasoned logistics agent, echoed Muhammad's experience. He explained how his peer network helped him set up his business in Yiwu. He said "*They helped me register my business, sort out the tax number, even translate my documents for license applications. And when I started my own company, it was again the Pakistani network that backed me.*". Peer-to-peer networks facilitate essential business operations and provide support through insider knowledge, like warnings about customs procedures. "*One guy told me never to send*

hair extensions through regular freight because it gets flagged for health inspection. I would have never known that. Another warned me about a shipping company that was overcharging Pakistani clients. That kind of insider knowledge, you cannot Google it. You get it over tea." Ali remarked about an insider tip he received, showcasing how trust and information-sharing within peer networks help traders succeed. These peer networks, both offline and online, provide practical and emotional support, helping traders adapt and thrive in Yiwu's competitive market.

3.2 Religious Networks

Religious networks, particularly those in mosques, are key sources of spiritual comfort and professional collaboration for Pakistani traders in Yiwu. These spaces, such as the Yiwu Mosque and smaller prayer areas, provide both faith-based support and business resources, playing a vital role in commercial success (Redding, 1990).

The importance of these spaces is especially evident during Friday congregational prayers, where traders not only fulfill religious duties but also network and discuss professional challenges. A textile trader shared his experience "*I had visited many suppliers in China, hoping to find high-quality fabrics. But sometime, I was disappointed. The fabrics were often of inconsistent quality, which made it tough to meet customer expectations. I was losing business and didn't know how to fix it.*" During a prayer meeting, he met a fellow trader, who advised him on a reliable Chinese supplier, leading to a significant improvement in fabric quality. The trader said that *"The difference in quality was evident, customers noticed, and we started getting more orders. I am grateful I met this fellow trader at the mosque."*

This example reflects Granovetter's (1973) theory of weak ties, where brief encounters create meaningful business opportunities. The mosque, as both a spiritual and professional hub, exemplifies the power of religious networks in providing new resources.

The mosque also helps uncover business opportunities. One trader, struggling to differentiate himself, sought advice from peers after prayers said that "*The kids' toy market was becoming increasingly competitive. The products I was importing from Yiwu to Pakistan were facing more competition, and I found it hard to differentiate myself. I attended trade shows and met with suppliers, but nothing seemed unique enough to offer my customers. I was starting to feel stuck, like I was in a corner with no way out. I needed something different, but nothing I tried seemed to work.*" A fellow trader suggested eco-friendly toys, which led him to a local manufacturer in Yiwu. "*When I visited the factory, I was surprised by the variety of eco-friendly toys they offered. They had everything from wooden building blocks to plush toys made from organic cotton. The designs were fresh and appealing, and I could see the potential. It was exactly what I needed to bring something unique to the market. I was able to negotiate a good deal*" he said, adding that the products' environmental appeal boosted sales in Pakistan. "It opened new opportunities for me."

Religious networks not only provide business insights but also emotional support during crises. One trader, facing delays due to customs issues, turned to his mosque community for help. *"I was terrified of losing my clients due to new regulations,"* he said. Fellow traders,

with knowledge of customs, guided him through the process. He explained that *"They made calls, gathered information, and helped resolve the delays"*. Some even offered financial help, alleviating the burden. *"Without their support, I do not know what I would have done,"* he concluded.

These cases underscores the critical role of religious-based networks in immigrant entrepreneurship, providing essential support during difficult times. As Portes (1995) noted, such networks enable immigrant traders to thrive in unfamiliar markets by offering both spiritual and practical assistance.

3.3 Networks with Chinese Groups and Other Nationalities

3.3.1 Networks with Chinese Suppliers and Business Partners

Pakistani traders in Yiwu build long-term relationships with Chinese suppliers, based on mutual business interests and trust, as Luhmann (2000) and Uzzi (1997) show. These networks are shaped by cultural and religious boundaries, fostering professional ties without crossing into personal friendships. Trust and reliability are crucial, allowing suppliers to extend credit and offer better prices.

Khalid, a Pakistani businessman, recalls Yiwu's early days when he struggled to find the right environment for trade. He eventually found Yiwu after a chance meeting, echoing Coleman's (1988) view on the importance of informal social spaces in business. Yiwu's quieter, trustworthy atmosphere was ideal for building relationships, as he explains *"Yiwu was quiet, convenient, and safe. What more could we want?"* Trust-based connections, often rooted in word-of-mouth and shared reliability, proved essential in commercial success.

Khalid's restaurant in Yiwu became a hub where Pakistani traders met and exchanged information. As one trader said, "*The restaurants are more than just a place to eat. It was where we discussed who the reliable suppliers were, which factories delivered on time, which interpreters you could hire. In a place where you do not speak the language and do not know the systems, you need that network."* These personal connections with Chinese suppliers evolved into dependable partnerships, with suppliers adjusting production to meet Pakistani market needs. Another trader adds, *"In Yiwu, once you have worked with a supplier two or three times, they treat you like a partner."*

Though relationships remain largely professional, trust allows suppliers to offer credit and flexible terms. Traders rarely look outside Yiwu once they find reliable partners. One trader emphasizes, "*We always tell newcomers—do not waste time going to ten different markets. Just stay here. I will introduce you to my guy. He is honest. He is fast. He will send you photos, samples, whatever you need. That is how we keep things smooth. We do not just trade goods here—we trade names and trust*." These networks, built on trust, have developed into dense, dependable commercial relationships.

Iqbal, a Pakistani businessman in Yiwu, recalls the early years when Yiwu was a small town. He notes that building trust with suppliers was key to success "*I started small, building trust with one supplier, and then another. Slowly, I understood how they worked and what they*

expected from me.” Over time, suppliers began to adjust their production to cater specifically to Pakistani markets, enhancing business success.

Syed, another key figure, mediates between new Pakistani traders and reliable Chinese suppliers. He shares, *“I always tell them, find a good supplier, and the rest will follow.”* His approach, involving regular meetings at restaurants, strengthens bonds with suppliers, leading to successful partnerships.

Noor, a second-generation Pakistani entrepreneur, reflects on Yiwu's growth and the importance of trust. His long-standing relationships with suppliers, rooted in mutual understanding, have ensured his business's longevity *“One of my main suppliers, I have been working with them for over 15 years. When the pandemic hit, I was worried about stock and shipments. But they gave me flexibility with payment terms and helped me get the goods I needed on time. That is the kind of relationship you cannot buy.”*

Economic factors are essential to these networks. A trader in consumer goods emphasizes the importance of reliable suppliers, balancing price with financial stability. *“When evaluating suppliers, price is a major factor, but it is not the only one,”* he said, emphasizing the importance of researching business histories.

Social spaces, such as halal restaurants and business events, foster these networks. A trader explained *“Restaurants are like a second office. We build relationships beyond just business transactions.”* Events like the Yiwu International Trade Fair also provide opportunities to meet new suppliers and strengthen partnerships.These networks, built on trust, reliability, and shared economic goals, have evolved into a form of commercial kinship, significantly shaping the success of Pakistani traders in Yiwu.

3.3.2 Networks with Traders from Other Countries

Pakistani traders in Yiwu expand beyond ethnic networks, building relationships with traders from Africa, the Middle East, and Southeast Asia, as Vertovec's super-diversity theory (2007) shows. These partnerships, based on trust, often evolve into long-term collaborations. Nasser, a Pakistani trader since 2002, exemplifies how such networks form and endure.

Initially considering Dubai and Turkey, Nasser chose Yiwu for its affordable goods and trade potential with the Middle East, reflecting Castells' (1996) global network societies. Starting by sending small shipments to Pakistan, he later expanded to the UAE and Iraq. Collaborating with Syrian and Yemeni partners, they shared container costs and risks, enabling survival through slow business periods. Nasser recalled *“At first, we booked small containers together, and later, we shared full containers to reduce costs and avoid shipment losses during unstable market periods.”*

When conflict in Iraq destabilized trade, Nasser and his partners shifted focus to northern Iraq or Jordan, demonstrating adaptability within global networks. His early connections in Dubai helped build trust and establish relationships in the Gulf, offering a fallback when issues arose. As Nasser explained, *“The relationship is everything. If you break their trust, they will never come back.”*

Nasser's network combined social and professional bonds, often formed over shared meals and prayers. He said *"Many of my business partners, I met them first in the mosque and restaurants not in the market. We would sit after prayers and talk, eat meals drink tea in resturants, and talk about business. During Ramadan, we would have iftar together and naturally talk about problems in shipping, factory delays, and prices. I met a Syrian brother in mosque who had strong connections in Tripoli. That conversation became a three-year partnership. We exported home electronics to Libya together."* These connections were not only business-related but also offered emotional support. When Nasser faced cash flow issues, his Yemeni friend helped him restructure payments, and in return, Nasser offered storage space during a crisis. He explained *"We help each other not because of business only, but because we are brothers here."*

Nasser's story reflects how Pakistani traders in Yiwu rely on transnational networks built on trust, religious affinity, and shared struggles. These networks are stable and long-lasting, extending beyond trade transactions into vital support systems.

Basit, another Pakistani trader, illustrates similar growth through cross-border networks. Arriving with limited resources, Basit initially struggled in Yiwu but gradually learned Chinese and established a trading company by 2005. His business expanded through partnerships with Afghan and Russian traders, sharing networks and logistics that connected Yiwu to other Belt and Road countries. Basit recalled, *"I met Afghan friends in Yiwu who helped me enter the Kabul market. Later, Russian traders helped me with European clients."*

By 2016, improved logistics through rail connections to Central Asia significantly boosted Basit's business. *"Before the railway, it took 40 days to reach Kabul; now it is just 15,"* he explained. This change enabled faster shipping, which expanded his exports to eight countries, including the UK and Russia. *"I am growing up together with Yiwu. In 2003, there were no trains, no big logistics, less people knew where Yiwu was. Now look—it is connected to the world. Without Yiwu, I would not be where I am now."* he reflected, acknowledging the city's role in his success.

Basit also contributes to his community, donating to charity initiatives in Yiwu and Pakistan. He mediates trade disputes between foreign and Chinese traders, helping resolve misunderstandings. He said that *"When new traders make mistakes, they come to me, I do not charge them—I just try to help, because I was also lost once. And I know how important it is to find someone who speaks your language and understands your problem."*

His network, built through years of trust, extends beyond business to cultural exchange. In 2021, Basit registered a new company focused on importing goods into China. This venture, launched in cooperation with Afghan partners, aims to bring handmade Afghan carpets, dried fruits, and saffron to Chinese consumers. Basit's experience shows how Pakistani traders in Yiwu build multinational networks, expanding beyond ethnic communities to form cross-cultural partnerships that leverage logistics, mutual support, and shared goals.

4. Relationship Operation Spaces and Modes

4.1 Offline Platforms

4.1.1 Restaurants

In Yiwu, halal restaurants play a vital role in the social, cultural, and business lives of Pakistani traders. Initially, in the 1990s, Yiwu's halal food options were limited to noodle shops run by Hui minorities. With few halal choices, many Muslim visitors either brought their own food or ate only vegetables. The lack of halal restaurants deterred Pakistani traders from staying in Yiwu for long periods. In 1995, a Hui couple from Xinjiang opened the first halal restaurant, followed by Maeed, the first foreign-operated halal restaurant, a year later. These restaurants became landmarks for Muslim traders. By the 2000s, more luxurious halal establishments emerged, often owned by Pakistanis who anticipated growing demand as Yiwu's trade flourished.

Today, Yiwu boasts over 100 halal restaurants and cafes, many operated by foreign traders in collaboration with local Chinese. In areas like Shangshaoqu, bilingual signage reflects the city's international community. Pakistani restaurants on Chouzhou North Road, in particular, have become central to the community. These establishments are not just dining spots but crucial hubs for business networking, where traders meet to discuss business strategies, exchange market intelligence, and share updates on suppliers and logistics. As Zucker (1986) suggests, trust production is a key element in these spaces, and Fukuyama (1995) emphasizes the importance of trust for economic success.

The restaurants foster weak ties—connections between traders from diverse backgrounds that spread information and help identify business opportunities, reflecting Granovetter's (1973) theory of the importance of weak ties in economic interactions. On weekends, the restaurant fills with the aroma of traditional dishes as traders gather not just to eat, but to strategize and discuss business. These spaces also function as informal problem-solving centers. One example is a Pakistani restaurant owner who posted a bilingual notice warning others about a shipping agent who failed to deliver goods after two years of receiving payment. This type of information exchange is common in these restaurants, helping traders avoid potential pitfalls. Traders use these venues to stay updated on market trends, currency exchange rates, and supplier reliability. Such exchanges are crucial for minimizing risks and making informed decisions in the fast-paced world of international trade. Geertz (1973) emphasizes the importance of cultural interpretation in maintaining identity, and these spaces help sustain the cultural cohesion of Pakistani traders in Yiwu.

These restaurants also become community hubs during religious festivals like Eid, where traders celebrate with fellow community members. Pakistan's Independence Day on August 14th is another occasion for celebration, reinforcing national pride and providing a space for cultural expression. The restaurants help traders maintain spiritual and cultural identities while integrating with the broader Muslim community in Yiwu. These spaces regulate not only diet but also behavior, reinforcing Islamic values and offering a sanctuary for those adhering to religious practices. Long-term residents often see themselves as part of a broader

Muslim community rather than identifying strictly with their nationality, which fosters connections across the global Muslim world, expanding their trade networks.

Frequent visits to these venues help traders maintain a sense of belonging and cultural identity. Those who avoid them may struggle to find the same support and trust, underlining the importance of regular engagement in these community spaces. These restaurants, by creating a space for cultural exchange and business collaboration, are important to the success of Pakistani traders in Yiwu.

4.1.2 Places of Worship

Mosques play multiple roles in the social and business networks of Pakistani traders in Yiwu, serving as both spiritual and business hubs. As one trader described, *"The mosque facilitates business networking among Pakistani traders. It provides opportunities to meet new people, exchange business ideas, and establish partnerships. Discussions here range from business to family and politics, making it a crucial part of my weekly routine."* Ahmed, an electronics trader, shared how he met his business partner at the mosque after Friday prayers *"We started talking about the latest trends, and our complementary skills made collaboration easy. Trust from our religious interactions helped make our partnership successful."*

This trust within the mosque community is central to business operations, as Muhammad noted "*When I do business with someone from the mosque community, I know I can rely on them. We have the same religious values, and that means we are more likely to be honest and keep our promises. It is a lot different from dealing with people I do not know. In the mosque, everyone is aware that our actions reflect on the community, so we are more careful.*" This trust encourages collaboration and market insight-sharing, in line with Lin's (2001) concept of social capital.

For new arrivals, the mosque provides vital support. Imran, struggling with his garment export business, found guidance through mosque interactions. Ahmed, recognizing his challenges, mentored him, sharing market knowledge and connecting him with reliable suppliers. Imran credited Ahmed's mentorship for his success, he said that "*Ahmed's advice was beneficial for me. I was able to source the right materials, create a product line that appealed to my customers in Pakistan, and build a reliable network of suppliers and customers. I do not think I could have done it without his help.*" This mentorship network fosters growth in the Pakistani business community in Yiwu.

Hassan, a household goods trader, emphasized that practicing religion in Yiwu helped him feel connected to his roots, he explained *"This religious practice strengthens our communal identity."* Religious activities provide comfort while helping traders adapt to Yiwu's environment, preserving their cultural identity.

Community events, especially during Islamic holidays like Eid, foster unity and inter-community understanding. These gatherings not only bring the Pakistani community together but also offer opportunities to share their culture with Yiwu's broader society.

Islamic principles significantly influence business ethics. Zain, an electronics trader,

explained, "*Our religion teaches us to be honest and fair in all our dealings. When I am doing business with Chinese partners or customers, I always keep these principles in mind. It's not just about following the rules; it is about building trust. And that trust has helped me maintain good business relationships.*" This ethical foundation helps maintain long-term business relationships, echoing Eickelman and Piscatori's (1996) understanding of religion's role in commercial ethics. Smaller prayer spaces complement larger mosques by strengthening community bonds and facilitating business networking. They serve as micro-hubs, offering spaces for business discussions, advice, and information sharing, contributing to the social cohesion and economic success of Pakistani traders in Yiwu.

4.2 Online Platforms

Digital platforms like WeChat, WhatsApp, Facebook, TikTok, and Alibaba are integral to the operations of Pakistani traders in Yiwu. These tools go beyond convenience; they help maintain trust-based relationships, both within the Pakistani community and with Chinese suppliers. The blending of traditional business practices and digital tools has allowed traders to thrive in Yiwu's globalized economy.

Bukhari's experience illustrates how trust is central to digital commerce. His business, initially reliant on personal connections, grew as his client base expanded across Pakistan. WhatsApp and WeChat became essential for maintaining personal connections despite physical distance. As Bian (1997) suggests, trust in close-knit communities facilitates business success, even when face-to-face interaction is limited. Bukhari notes, "*For my clients, I am their eyes in Yiwu. I make sure to send them updates at every stage. They know when they receive a message from me, it's as if they are standing next to me in the market. Digital platforms have given us a kind of 'real-time' transparency.*" This transparency is key to maintaining trust and ensuring ongoing collaboration with suppliers, as Coleman (1988) emphasizes.

Bukhari goes beyond transactional communication; he nurtures relationships by learning basic Mandarin to show respect for Chinese customs. *"When I text my supplier, I greet them with Mandarin words. It is simple, but it goes a long way in showing respect."* His consistent interaction and personal touch with suppliers strengthen his trust-based networks.

Sajjad, another trader, uses Facebook not just for marketing but for building connections with suppliers. Initially used for showcasing products, Facebook became a platform to engage Chinese suppliers by sharing negotiation strategies and market trends. "*In the beginning, it was just about showing my products. But now, I share everything—how I negotiate with suppliers, how I inspect quality. Suppliers see me as a partner, not just a customer. They like to see a face, not just a name in an email.*" Through these posts and Facebook Messenger, Sajjad maintains ongoing, transparent communication, mirroring trust-building in physical markets. His approach also gave Chinese suppliers visibility in Pakistan, benefiting both parties.

Noor, a trader in electronics, uses WhatsApp groups to connect with various suppliers. Each group, dedicated to a specific product or region, serves as a hub for information exchange. "*I

do not just deal with one supplier. I have five suppliers for each product type. I negotiate with them all, ensuring I get the best price, and then offer the same to my clients. If a supplier is late or does not respond, I do not waste time—I move to the next." Noor explained, underscoring the efficiency of digital platforms in scaling his business operations. WhatsApp has become an extension of traditional trading networks, helping Noor stay in constant contact with suppliers, many of whom he is known for over a decade.

Alibaba also plays a critical role in forming long-term relationships, as shown by Tanveer, who joined the platform in 2017. Initially used as a sourcing tool, Alibaba became a space for ongoing conversations and relationship-building with Chinese suppliers. Tanveer said that *"At first, I thought Alibaba was just for placing orders. But then I noticed that many suppliers were ready to chat, send samples, and even show me their factories over live video. I felt like I was being welcomed into their production process, not just buying blindly."* His partnership with a manufacturer in Fujian grew through consistent communication, even beyond Alibaba's messaging system. This relationship reflects Fukuyama's (1995) argument that trust and reciprocity form the foundation of successful transactions, even in digital spaces.

Despite the growing reliance on digital platforms, many traders like Mahmood still prioritize face-to-face interactions to strengthen trust. Mahmood visits suppliers annually to reinforce digital relationships. He said *"We can discuss prices over WeChat, but nothing beats meeting face-to-face. There is a personal bond that forms in those meetings—something you cannot replicate online. I have been to China many times, and they respect that."* This aligns with Granovetter's (1973) theory that in-person meetings enhance trust in digital connections. while digital platforms are vital for Pakistani traders in Yiwu, face-to-face interactions continue to play a crucial role in building and maintaining long-term, trust-based relationships with suppliers. These platforms help replicate the intimacy of traditional trade, facilitating collaboration and business growth.

5. Relationship Dynamics

5.1 Network Expansion

The expansion of Pakistani traders' networks in Yiwu is rooted in trust, reputation, and relationship-building. Muhammad, who began as a logistics worker, offers an example of how networks grow through reliable service and personal connections. He recalled, *"When I came to Yiwu, at the start, I was just a logistics worker, making deliveries and helping traders. It was not glamorous, but I learned a lot about how the business worked here. Over time, I began to meet traders, mostly Pakistanis, who were exporting goods. I started helping them with logistics on a bigger scale, and as I did that, I started building trust. One thing led to another, and eventually, I got my first client for logistics services."*

Muhammad's network grew through word-of-mouth and reputation. He said, *"When you do a good job, people talk. They tell their friends, and soon, you are known for being reliable. That is exactly what happened. My first few clients came from word of mouth. It was not long before I was helping traders from different countries in the Middle East as well. They would hear about me through the Pakistani community, but soon, I had a reputation that spread*

beyond that." His reputation spread not just geographically but also across different sectors, with clients recommending him based on his reliability.

Ahmed, a Dubai-based trader, shared how Muhammad's reputation led him to trust his services, "*I was introduced to Muhammad through a friend in Karachi. The first time I needed help with logistics, I was a bit hesitant. I did not know him, but my friend said, 'Trust me, he is solid.' And he was right. Muhammad's service was exceptional, and after that, I did not have to look anywhere else.*" Muhammad emphasized, "*When someone trusts you enough to refer you to a friend, you know you have earned something real, It is not just about doing the job; it is about building long-term relationships. It is those relationships that help you grow your business, and ultimately, your network.*"

Muhammad expanded his network not only through reputation but by forming strategic alliances. Collaborating with other logistics agents, each specializing in different aspects of logistics, allowed him to offer a comprehensive solution. He explained *"We started working together, each with our niche, but together we could serve a wider variety of clients."*

As Muhammad's network grew beyond Yiwu, he secured contracts with larger companies, thanks to these strategic alliances built on trust and reliability. He adapted to the challenge of managing a diverse client base by maintaining his core values, he said "*It does not matter where my clients are from—what matters is how I treat them. Whether they are from Pakistan, Dubai, or Saudi Arabia, I give them the same service. That's how you build long-term relationships. And that is how my network expanded to include traders from all over the Middle East.*" Muhammad's story shows that network expansion is about more than business—it is about building trust, reputation, and supporting others to grow. This process is central to the Pakistani trading community in Yiwu, where relationships form the foundation for success and further network development.

5.2 Network Adaptation

The tightening of visa policies in Yiwu, particularly after 2009, has forced Pakistani traders to adapt their networks. Before 2009, lenient visa conditions made travel and face-to-face meetings easier, but stricter post-2009 regulations required foreign traders to register companies and secure office spaces, often leading to increased costs. Usman, a trader in Yiwu, recalled "*In the past, it was much easier to bring clients here. They would get a visa and fly over for business meetings. But after 2009, everything changed. You could not operate without a registered company and a separate office space, and the costs just skyrocketed.*"

As a result, traders like Usman turned to digital platforms to maintain relationships. He explained *"I used to think video calls were a poor substitute for in-person meetings, but after the stricter visa policies, I had no choice. Now, I host virtual meetings almost every day."* Despite the shift to online communication, the introduction of visa quotas in 2016, based on trade volume and tax contributions, further complicated matters for smaller traders like Usman, who were limited to only three invitations per year, while larger companies had up to 20.

Usman adapted by building stronger partnerships with larger companies, leveraging their

invitation letters to invite clients. He said *"The smaller traders, we have to rely on each other. If we cannot bring clients to Yiwu, we do what we can with technology and share resources like invitation letters."* This collaboration allowed him to circumvent some visa restrictions. Similarly, Noor, another trader, faced similar challenges but adapted by working closely with Chinese suppliers who used their invitation quotas to help him bring clients. Noor emphasized, *"Even though I could not meet my clients in person as often, I had to find ways to keep the trust alive."*

These visa restrictions have shaped the relationships between traders, especially between larger and smaller traders. While bigger businesses leveraged resources to adapt, smaller traders became more resourceful, relying on each other for support. As Usman reflected, *"The key is to adapt. You cannot just keep doing the same things. The network has to grow with the times. And if you do that, you will survive."*

5.3 Network Contraction or Reconfiguration

In some instances, Pakistani traders in Yiwu have faced situations where their business networks experienced contraction or reconfiguration, often as a result of shifts in supplier reliability, market demands, or regulatory pressures. While network expansion and adaptation are common strategies, the need to sever ties with certain partners or redefine business models is an equally important aspect of navigating the Yiwu trading environment.

Farhan's experience illustrates how networks can be reconfigured due to changes in supplier reliability or market dynamics. After years of working with a textile supplier who failed to meet quality standards, he severed ties, despite their long history. *"It was a difficult decision, but I could not afford to lose my clients because of their mistakes,"* Farhan said. This decision led to a temporary contraction in his network, but he soon began rebuilding by attending trade fairs and leveraging his community connections. He reflected *"The community here is small, If one door closes, there is always another door that opens. You just need to ask the right people."*

Farhan also shifted his focus from chasing the lowest prices to building long-term partnerships with reliable suppliers. He admitted that *"I used to chase the lowest price, but now I realize it is more important to have suppliers you can trust."* This reconfiguration also involved expanding his digital presence, using platforms like Alibaba and WeChat to maintain trust with new suppliers. *"Building trust with suppliers from afar is not easy, but I have learned to do it through regular online interactions,It is become an essential part of my business now."* he said.

Other traders have faced network contraction due to the stricter visa regulations. One trader in electronics lost clients who no longer wanted to buy without seeing products in person. He turned to social media platforms like Facebook and Instagram to showcase his products and generate leads, adapting to the new circumstances. *"It is been a slow process, but it's helping"* he said, highlighting how network contraction can lead to reconfiguration.

Similarly, another trader in the clothing sector faced a major setback when his primary supplier went out of business. Instead of quitting, he adapted by diversifying his supplier

network, establishing relationships with suppliers in other parts of China. He stated *"When you lose one supplier, it does not mean you have lost your business. You just have to find new solutions."* Farhan's and other traders' experiences demonstrate how the ability to contract and reconfigure networks is vital for survival in Yiwu's dynamic marketplace. Whether through the loss of a key partner, regulatory changes, or market disruptions, Pakistani traders adapt by rethinking their strategies and maintaining resilience, ensuring their businesses stay afloat. The process of network reconfiguration allows traders to continue to grow, even in challenging times.

6. Discussion

Social networks are crucial to the success of Pakistani traders in Yiwu, as they help navigate the challenges of international trade. Kinship networks, in particular, provide a foundation of trust and stability, allowing traders to operate smoothly and expand their businesses. These strong familial ties, such as those seen with Faisal's family, offer operational support, reducing the need for intermediaries and ensuring business continuity. This mirrors Granovetter's (1973) concept of strong ties are essential for stability in business. However, kinship alone is not enough to tackle local market complexities, which is where peer-to-peer networks come in, offering the local knowledge and flexibility needed for success.

Peer-to-peer networks form in places like mosques and restaurants, where traders gather and exchange business insights and strategies. These informal interactions allow them to share vital market information and provide mutual support. Such networks reflect Granovetter's (1973) concept of weak ties, which are valuable for accessing new opportunities and resources. For example, Muhammad's experience highlights how peer relationships help solve problems and foster collaboration, showing that trust built in these informal settings reduces risks and opens doors to new business opportunities. According to Coleman (1988), these networks are particularly important when formal support systems are limited or non-existent.

Religious networks, especially those centered around mosques, play a significant role in reinforcing trust and cooperation. These spaces go beyond spiritual solace, offering a unique environment where traders can build relationships based on shared ethical values. As Redding (1990) and Portes (1995) suggest, these networks create a solid foundation of trust, making business interactions more reliable and ethically grounded. Traders like Ahmed and Imran benefit from this strong sense of community, which supports not only their business endeavors but also their emotional resilience in the face of challenges.

As the business landscape evolves, digital platforms like WeChat, WhatsApp, and Alibaba have become essential tools for Pakistani traders. These platforms allow traders to maintain long-distance relationships, ensuring transparency and effective communication. However, as Bourdieu (1986) emphasizes, social capital is deeply rooted in personal connections, which cannot be entirely replicated online. While digital tools are invaluable for maintaining relationships and staying connected, face-to-face interactions still hold significant weight in fostering trust and long-term business success.

Changes in external factors, like tighter visa regulations, further highlight the adaptability of traders' networks. Faced with these challenges, traders have shifted from relying on physical meetings to using digital tools and collaborations with local partners. This shift echoes Castells' (1996) idea of the "network society," where adaptability and the ability to maintain diverse networks are critical for success. By embracing digital platforms and forming stronger local connections, traders like Usman and Noor have demonstrated resilience and the ability to adapt to evolving market conditions.

7. Conclusion

This paper has explored the role of various social networks that shape and sustain the commercial activities of Pakistani traders in Yiwu, drawing from extended fieldwork, first-hand narratives, and multi-layered observations. Rather than viewing these traders as isolated economic actors, the chapter has illuminated how their commercial success and daily survival hinge upon a complex web of interpersonal relationships—both within the Pakistani community and across cultural, national, and linguistic boundaries. The article began with account of how Pakistani traders forge and maintain relationships with Chinese suppliers. These ties, while often beginning with pragmatic exchanges, evolve into long-term collaborations grounded in mutual trust, consistency, and adaptation. As shared in multiple narratives, trust is not assumed; it is painstakingly built over repeated transactions, late-night problem-solving, shared meals, and honest confrontation. These supplier relationships are not just economic; they are profoundly social, navigated through patience, risk, and an unspoken ethic of reciprocity.

This foundation of interpersonal trust extends into three main categories of social networks within the Pakistani community itself: kinship-based, peer-to-peer, and religious networks. Kinship-based networks provide operational support, while peer-to-peer networks serve as platforms for advice, resource sharing, and integration into Yiwu's market. Religious networks, particularly those centered on mosques, facilitate both spiritual bonding and business collaboration. Students, part-time workers, and established business owners contribute to an internal support system that facilitates new market entries, logistics solutions, and survival in times of crisis. These peer relationships are marked by a mix of competition and solidarity—traders help each other ship goods, share contact lists, and offer timely advice, all while jockeying for limited opportunities in a saturated marketplace. Such peer-based cooperation reflects not only economic strategy but also an ethic of mutual uplift within the diasporic community.

Digital networks, meanwhile, serve as crucial extensions of these face-to-face relationships. Platforms like WeChat, WhatsApp, Facebook, TikTok, and Alibaba are not just tools for product sourcing or customer engagement—they are integral to the formation and maintenance of transnational trust. Traders use these platforms to remain visible, reliable, and connected, especially in a regulatory environment where face-to-face interaction is often curtailed. Stories in this chapter showed how Pakistani traders manage both opportunities and anxieties online: cultivating client relationships with visual content, navigating scams and mistrust, and deploying digital savvy to compete with more established or better-capitalized

actors. These digital networks are not separate from their social worlds; they are entangled with offline hierarchies, alliances, and exclusions.

Moreover, the chapter has shown that these networks are not static. They grow, shrink, and adapt in response to personal trajectories and broader institutional shifts. As seen in the stories of traders who rose from workers to independent agents, and others who dissolved and rebuilt supplier ties, these actors actively reshape their networks as their businesses evolve. The chapter also highlighted how these adaptations are often driven by external constraints—most notably, the tightening of visa regulations since 2009 and especially after the 2016 G20 Summit in Hangzhou. These policy changes have pushed traders to reconfigure their strategies, shifting from long-term physical presence in Yiwu to short-term visits, or from in-person meetings to digital coordination. The ability to adapt social networks in response to such constraints is a marker of both resilience and ingenuity within the Pakistani trading community.

Taken together, the paper demonstrates that social networks among Pakistani traders in Yiwu are not merely background conditions for business—they are the very infrastructure through which business is imagined, enacted, and sustained. These networks are multi-scalar, cutting across national boundaries and digital platforms; multi-dimensional, encompassing kinship, friendship, professionalism, and religious affiliation; and dynamic, constantly responding to both opportunity and threat.

For policymakers, this analysis provides a grounded understanding of how traders navigate restrictive environments—not by bypassing the system entirely, but by creatively working within and around it. Recognizing the value of these networks could lead to more informed and humane approaches to migration policy, visa regulation, and urban governance. For business scholars and practitioners, the findings offer insight into how trust, adaptability, and embeddedness function as competitive assets in informal economies. And for the Pakistani trading community itself, this ethnography offers a reflective mirror: a chance to see the strength, flexibility, and ingenuity that has carried them through volatile markets, tightening regulations, and the daily uncertainties of diasporic commerce. Ultimately, understanding the social worlds of these traders reminds us that globalization is not only made in boardrooms or cargo ports—it is also made in phone calls, dinner tables, mosque courtyards, and WeChat groups. It is made in relationships.

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