

ORIGINAL ARTICLE

Practices and Meanings of *Guanxi* in the Social Relations of Chinese Traders at Pucuk Market in Baturaja, Ogan Komering Ulu Regency

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Abstract

This study aims to analyse the practice and meaning of *guanxi* in the lives of Chinese traders at Pucuk Market in Baturaja, Ogan Komering Ulu Regency. This research is important because *guanxi* is not only related to economic strategy, but also shapes patterns of social, cultural, and moral relations within the Chinese community. This study employs a qualitative approach with a field research design. Data were collected through observation, in-depth interviews with Chinese traders, and documentation, and were then analysed descriptively through data reduction, data presentation, and conclusion drawing. The findings show that *guanxi* functions as social capital in economic activities through trust, honesty, reputation, and reciprocal relationships. In social and cultural interactions, *guanxi* is reflected in practices of mutual assistance, involvement in cultural activities, the distribution of social roles, and moral responsibility. Subjectively, traders interpret *guanxi* through the values of *cengli*, or honesty; *cincai*, or social flexibility; long-term trust; and commitment to maintaining relationships. The implications of this study indicate that *guanxi* plays an important role in strengthening social cohesion, business continuity, and the cultural identity of the Chinese community, while also needing to be practised within a framework of ethics and transparency. The originality of this study lies in its examination of *guanxi* in the local context of Chinese traders in a traditional Indonesian market, emphasising that *guanxi* is not merely an economic strategy, but a multidimensional relational system that integrates economic, social, cultural, moral, and emotional aspects.

Keywords: *Guanxi*; social capital; Chinese traders; cultural identity; traditional market.

Introduction

The social relations of Chinese communities in Indonesia cannot be separated from the cultural values that shape the ways individuals build, maintain, and interpret relationships. In the socio-economic history of Indonesia, Chinese communities have played an important role in trade activities at both local and national levels. This role has not only been shaped by economic capacity, but also by work ethic, social networks, trust, and cultural values passed down across generations (Musianto, 2003; Suhandinata, 2009). One important principle in the social relations of Chinese communities is *guanxi*, namely a network of interpersonal relationships built through trust, moral obligation, reciprocity, and long-term commitment (Baito, 2019; Luo, 1997). In the context of Indonesia's multicultural society, *guanxi* is important to examine because it functions not merely as an economic strategy, but also as a value system that connects cultural identity, community solidarity, and everyday social practices.

The relationship between cultural values and economic activity is clearly reflected in the lives of traders in traditional markets. A market is not only a space for buying and selling transactions, but also a social arena in which traders build trust, maintain reputation, and sustain long-term relationships with suppliers, customers, and fellow traders. Ogan Komering Ulu Regency is one of the regions in South Sumatra with a local economic dynamic based on trade, services, and community market activities. Data from the Statistics Office of Ogan Komering Ulu Regency show that the economy of OKU Regency grew by 5.60 per cent year on year in 2022 (BPS, 2023). This growth indicates that local economic activity continues to develop and requires the support

of social relations in everyday trading practices. In the context of Pucuk Market in Baturaja, relationships between traders, suppliers, customers, and fellow business actors do not always take place formally and impersonally, but are often supported by personal closeness, reputation, trust, and reciprocity. Therefore, the practice of *guanxi* can be understood as a social mechanism that helps traders maintain the stability of economic relations while strengthening social solidarity within the local community (Ajahari, 2023; Candra, 2021).

Studies on *guanxi* have developed within several tendencies. The first tendency positions *guanxi* as an economic and business strategy. From this perspective, *guanxi* is understood as a network of relationships that helps business actors gain access to capital, information, suppliers, customers, and economic opportunities. Luo (1997) explains that *guanxi* has important implications for management and business practices because personal relationships can reduce uncertainty in transactions. Similarly, Fitra (2020) shows that the principle of *guanxi* influences economic development because it strengthens cooperation and trust in the business world. In the Indonesian context, Ismail and Ritonga (2022) demonstrate that *guanxi* also appears in online shop business practices and contributes to improving the local economy. These findings indicate that *guanxi* has often been understood as an economic instrument that supports business success.

In addition to being studied as an economic strategy, *guanxi* has also been understood as part of social networks and social capital. In this second tendency, *guanxi* is viewed not only as a business tool, but also as a pattern of social relations that enables the exchange of information, assistance, and social support. Lin (2018) connects *guanxi* with social capital and social rituals that shape access and relationships in society. Mardoni, Effendi, and Arifin (2022) show that the concept of *guanxi* among ethnic Chinese communities in Padang operates through social organisations and community relations that strengthen internal solidarity. Meanwhile, Riyanti (2013), in her study of social relations between ethnic Chinese and Javanese traders in traditional markets, shows that interethnic relations within market spaces are formed through repeated social interaction, trust, and economic interests. Thus, this tendency confirms that *guanxi* is closely related to the formation of social networks, social capital, and community cohesion.

The third tendency positions *guanxi* as a cultural value system rooted in the ethics, morality, and traditions of Chinese society. From this perspective, *guanxi* is understood as a relational practice that is not only instrumental, but also normative. Baito (2019) explains *guanxi* as a form of relational theology in Chinese culture that emphasises the importance of relationships, mutuality, and social responsibility. Amalia and Prasetyo's (2015) study of the cultural work ethic of Chinese traders at Semawis Market in Semarang shows that the success of Chinese traders cannot be separated from the values of hard work, honesty, and discipline. Legista, Ali, and Djausal (2021) also show that the business culture of Hokkien Chinese communities in Prabumulih is shaped by family values, trust, and social networks. Similarly, Trianto and Hidayah (2018) emphasise that the business ethics of Chinese traders in traditional markets are linked to responsibility, honesty, and good relationships with customers. This tendency shows that *guanxi* has strong cultural and moral dimensions in shaping the socio-economic behaviour of Chinese communities.

Although these studies have made important contributions, there remains a gap that requires further examination. Most studies on *guanxi* still tend to emphasise economic aspects, business strategies, or social networks within a functional framework. Studies that position *guanxi* as a socio-cultural practice in the everyday lives of local Chinese communities in Indonesia remain limited, particularly in the context of traditional markets in regional areas such as Pucuk Market in Baturaja, Ogan Komering Ulu Regency. In addition, previous studies have not sufficiently explained how *guanxi* is subjectively interpreted by traders, how it shapes social norms, and how it strengthens community identity and solidarity. Therefore, this study is important in order to

broaden the understanding of *guanxi* from merely an economic strategy to a socio-cultural value system embedded in everyday relational practices.

Based on this gap, this study aims to analyse the application of the principle of *guanxi* in the social relations of Chinese traders at Pucuk Market in Baturaja, Ogan Komering Ulu Regency. Specifically, this study examines how *guanxi* is practised in economic activities, how it appears in social and cultural interactions, and how Chinese traders interpret *guanxi* in their everyday lives. With this focus, this study is expected to address the limitations of previous studies that have largely positioned *guanxi* as an economic instrument, while also demonstrating that *guanxi* has social, cultural, moral, and identity-related functions within local communities.

The main argument of this study is that *guanxi* is not merely an economic strategy, but a socio-cultural value system that shapes patterns of interaction, strengthens social cohesion, and gives moral meaning to interpersonal relations. From the perspective of social theory, social relations are not formed solely by rational interests, but also by norms, values, trust, and repeated social exchange (Hidayaturrehman et al., 2020; Mighfar, 2015). Thus, the practice of *guanxi* among Chinese traders at Pucuk Market in Baturaja can broaden the understanding of social network theory and social exchange theory by adding cultural, moral, and emotional dimensions as important elements in the formation of social relations. The findings of this study not only strengthen the understanding of *guanxi* as social capital, but also show that economic relations within local communities are always embedded in the cultural values and social experiences of the actors involved.

Methods

The unit of analysis in this study is the community of Chinese traders at Pucuk Market in Baturaja, Ogan Komering Ulu Regency. The study focuses on traders who are directly involved in everyday economic and social relations shaped by the principle of *guanxi*. The analysis does not merely examine trading activities, but also explores patterns of interpersonal interaction, trust, reciprocity, moral obligation, cultural values, and the subjective meanings constructed by traders in maintaining long-term social relations. This focus is consistent with the aim of the study, namely to understand *guanxi* as a socio-cultural value system rather than merely as an economic strategy.

This study employs a qualitative approach with a field research design. A qualitative design was chosen because the study seeks to understand the meaning, practice, and social function of *guanxi* within the natural setting of the traders' everyday lives. Field research enables the researcher to observe how social relations are formed, maintained, and interpreted in direct interaction between traders, customers, suppliers, and fellow members of the market community. In this sense, qualitative research is appropriate because it gives space to the perspectives, experiences, and meanings expressed by research participants in their own social context (Abdussamad, 2021; Emzir, 2012; Sugiyono, 2018).

The data used in this study consist of primary and secondary data. Primary data were obtained from ten Chinese traders at Pucuk Market who were selected purposively. The informants were selected based on several criteria: they were owners of shops or businesses, had direct experience in trading activities, had long-term interaction with customers, suppliers, and fellow traders, and were considered capable of explaining the values and practices of *guanxi* in everyday life. The informants represented different types of businesses in the market, allowing the study to capture variations in the practice of trust, honesty, reciprocity, loyalty, and social support. Secondary data were obtained from books, journal articles, previous studies, government documents, and statistical sources related to *guanxi*, Chinese communities, social relations, and the socio-demographic context of Ogan Komering Ulu Regency.

Data were collected through field observation, semi-structured interviews, and documentation. Field observation was conducted to understand the social atmosphere of Pucuk Market, patterns of communication between traders and customers, and everyday forms of interaction among traders. Semi-structured interviews were used to explore the informants' experiences, perceptions, and interpretations of *guanxi*, particularly in relation to trust, honesty, mutual assistance, business relations, cultural identity, and social solidarity. Documentation was used to complement the interview and observation data through field notes, photographs, lists of informants, local demographic information, and other relevant documents. These three techniques were used together to strengthen the validity of the data through source and technique triangulation (Eko, 2015; Mulyana, 2001; Nasution, 2020).

The data were analysed using descriptive qualitative analysis with a thematic approach. The analysis began by organising interview notes, observation findings, and documentation according to the main focus of the study. The data were then reduced by selecting information relevant to the research objectives, particularly statements and observations related to trust, reciprocity, moral obligation, social support, cultural values, and long-term relationships. After that, the data were coded and grouped into several themes that correspond to the structure of the findings: *guanxi* as social capital in economic activity, *guanxi* in social and cultural interaction, and the subjective meaning of *guanxi* for Chinese traders. These themes were then interpreted using social network theory and social exchange theory to explain how *guanxi* operates as a network of relations, a mechanism of reciprocity, and a socio-cultural value system embedded in the everyday lives of Chinese traders (Fiantika et al., 2022; Hidayaturrahman et al., 2020; Mighfar, 2015).

Results

1. *Guanxi* as Social Capital in Economic Activities

Guanxi in the economic activities of Chinese traders at Pucuk Market in Baturaja, Ogan Komering Ulu Regency, shows that trading practices are not merely conducted as buying and selling activities, but also as a space for building social relations. These relations are formed through trust, honesty, reputation, and reciprocity. In everyday market life, traders do not only relate to customers as buyers, but also maintain more sustainable relationships with suppliers, fellow traders, and regular customers. These relationships are important because they influence the smoothness of transactions, business continuity, and the traders' reputation within the market community. In this sense, *guanxi* can be understood as a form of social capital that connects economic activity with social and moral values (Ismail & Ritonga, 2022; Legista et al., 2021; Lin, 2018).

The data in this sub-finding were obtained through field observation and interviews with ten Chinese trader informants who owned shops or businesses at Pucuk Market. The informants consisted of Annchi, Aping, Aming, Aihan, Wilson, Suwanto, Feredi, Toni, Edison, and Mariatoni. They operated different types of businesses within the market. This diversity of business backgrounds shows that the practice of *guanxi* does not appear only in one specific type of trade, but is present across various forms of business carried out by Chinese traders at Pucuk Market.

In an interview, Mariatoni, the owner of Toko 5 Jaya, emphasised that trading practices among Chinese traders depend heavily on honesty and trust. He stated:

"Guanxi is a term that refers to good relations in trade. Trade itself has a broad meaning, and in practice the most important things among traders are honesty and trust. Only through honesty can we build trust and develop. Honesty is the main key, as well as the ability to identify profitable goods. Traders must be careful in finding goods that have strong profit potential." (Mariatoni, personal communication, 6 September 2024)

This statement shows that honesty is understood as the main basis for building trust. A similar view was expressed by Suwanto, the owner of Toko Pelita. He explained that in everyday trading, the most important principles are ethics, honesty, and consistency between words and actions. He stated:

“In small shops like ours, the principle of guanxi is not applied very much, because guanxi is more often used by large companies. In everyday trading in the market, what matters is having good ethics; we must be cengli (honest) and must not lie. If we make a promise, it must be kept, meaning that if we say A, then it must be A, and if we say B, then it must be B. We must not break promises. The term cengli in Indonesian means not lying to customers or business partners. In trade, the quality of goods must match what has been promised. If the quality is not good, we must say so; if the goods are good, we must also say that they are good. For businesses at Pucuk Market in Baturaja, Ogan Komering Ulu Regency, most traders use this principle. Large companies may apply guanxi, but in small-scale trade, the most important things are honesty and complementing one another with customers, which is the application of guanxi in social relations. Honesty is the main principle.” (Suwanto, personal communication, 6 September 2024)

In addition to honesty, field data also show that reputation is an important element in trading activities. Annchi, the owner of Toko Jaya Agung, emphasised that traders need to maintain trust and reputation in running their businesses. She stated:

“Trade is a buying and selling activity. The principles that must be followed in trade are important rules that need to be upheld, such as maintaining trust and reputation, because these are the main keys in business. In Chinese society, you may have heard the term cengli, which means mutually beneficial.” (Annchi, personal communication, 6 September 2024)

Further data show that *guanxi* is not only related to honesty and reputation, but also to the ability to build personal closeness. Wilson, the owner of Toko Tunas Baru, explained that strong relationships with customers and business partners are an important part of business success. He stated:

“Modern trade is based on the principle of not harming others and on honesty. In everyday conversation, this is called cengli, meaning an honest and open attitude, without harming or deceiving one another. The principle of cengli means that if someone says ‘yes’, then it truly means ‘yes’, and if someone says ‘no’, then it truly means ‘no’. This attitude must be firmly upheld by every Chinese trader. In business and social life, I always believe that building strong relationships with others is the key to success. The principle of guanxi teaches me that maintaining good relations with people, especially customers and business partners, is very important. I often try to build personal closeness with customers, whether through casual conversations or small forms of attention, such as giving discounts or small gifts on certain occasions.” (Wilson, personal communication, 7 September 2024)

To clarify the forms of *guanxi* as social capital in economic activities, the interview and observation data can be visualised in the following table.

Table 1. Forms of Guanxi as Social Capital in the Economic Activities of Chinese Traders at Pucuk Market in Baturaja

Form of Social Capital	Meaning in Economic Activities
Trust	Trust becomes the basis for retaining customers, maintaining relationships with partners, and developing business.
Honesty and moral commitment	<i>Cengli</i> becomes a guideline for traders not to deceive or harm customers, and to maintain consistency between words and actions.
Social reputation	Reputation becomes non-material capital that determines the continuity of economic relations.
Reciprocity	Economic relations are strengthened through attention, loyalty, and continuous social interaction.
Relational networks	Social networks help traders gain support, information, and stability in running their businesses.

The data show that *guanxi* in the economic activities of Chinese traders at Pucuk Market in Baturaja is practised through honesty, trust, commitment to keeping promises, maintenance of reputation, and reciprocal relationships with customers and business partners. For the traders, business success is not determined only by price, capital, or trading strategy, but also by the ability

to maintain good relations with others. The principle of *cengli*, which refers to being honest, open, and not harming others, becomes an important basis for building trust. Thus, *guanxi* functions as social capital that helps traders retain customers, strengthen reputation, expand networks, and maintain business continuity in everyday market life. This finding is consistent with the idea that social relations and reciprocal exchange can shape the continuity of economic interaction (Tay, 2014).

Based on the interview and observation data, there are four main patterns that show how *guanxi* works as social capital in the economic activities of Chinese traders at Pucuk Market in Baturaja. First, *guanxi* forms trust as the main basis of economic relations. Traders place honesty, openness, and the ability to keep promises as important requirements in maintaining relationships with customers, suppliers, and fellow traders. Trust does not emerge instantly, but is built through repeated and consistent interaction. Therefore, traders who are known to be honest are more likely to gain trust and maintain long-term trading relationships.

Second, *guanxi* appears through the principle of *cengli* as a form of trading ethics. *Cengli* is understood as being honest, fair, truthful, non-deceptive, non-harmful to others, and transparent about the actual condition of goods. This principle becomes a moral guideline in buying and selling activities, particularly in maintaining consistency between words and actions. Through *cengli*, traders do not only keep transactions running properly, but also preserve their reputation and social standing within the market environment.

Third, *guanxi* creates reciprocal relationships between traders, customers, and business partners. Economic relations do not end at the point of buying and selling, but are strengthened through small acts of attention, informal communication, discounts, assistance, and mutually beneficial attitudes. This pattern shows that customers and business partners are not merely viewed as parties to a transaction, but as part of a social network that needs to be maintained. Such reciprocity then produces loyalty and personal closeness.

Fourth, *guanxi* plays a role in maintaining business stability and continuity. Traders who are able to build good relationships tend to have stronger access to regular customers, market information, and support from fellow business actors. Maintained relationships make economic activities more stable because traders do not rely solely on financial capital, but also on social capital in the form of trust, reputation, and long-established relational networks.

Based on these patterns, it can be provisionally concluded that *guanxi* functions as economic social capital that strengthens the trading activities of Chinese traders at Pucuk Market in Baturaja. *Guanxi* operates through trust, the ethics of *cengli*, reciprocity, and relational networks that support business continuity. Therefore, the economic activities of Chinese traders are not driven solely by the pursuit of profit, but also by social and moral values embedded in everyday trading relationships.

2. Practices of *Guanxi* in Social and Cultural Interactions

The practice of *guanxi* in the social and cultural interactions of Chinese traders at Pucuk Market in Baturaja shows that relationships among traders are not formed only through economic activities, but also through everyday social life. In this sub-section, *guanxi* is examined as a socio-cultural practice, namely as a way in which social relations are built, maintained, and interpreted through togetherness, mutual assistance, moral responsibility, and the preservation of tradition. In this context, *guanxi* does not only appear in relationships between traders, customers, and business partners, but also in family relations, friendships, community networks, and cultural activities within the Chinese community. This finding is in line with studies that understand *guanxi* as a relational system rooted in social obligation, reciprocity, and cultural values (Andriati, 2012).

Field observations indicate that Chinese traders at Pucuk Market maintain personal and continuous social relationships. Their interactions do not end with buying and selling activities, but are also reflected in everyday conversations, greetings, the maintenance of good relations, assistance given to others in times of difficulty, and involvement in cultural and religious activities. These relationships show that *guanxi* works as a social bond that connects individuals within wider networks of family, friends, business partners, and community members. In this sense, *guanxi* becomes part of the social and cultural system that shapes the everyday life of the Chinese community (Hisyam, 2021; Kistanto, 2008).

Aping, the owner of Toko Sinar Mulya, explained that *guanxi* serves as a foundation for social relations in Chinese society because it contains an obligation to help one another. He stated:

“Guanxi functions as the basis of social relations in Chinese society. This concept includes the obligation to help one another among members of a social group, whether family, friends, or business partners. With guanxi, the relationships that are formed become closer and tend to last longer because there is a moral obligation and a sense of responsibility.” (Aping, owner of Toko Sinar Mulya, personal communication, 9 September 2024)

A similar view was expressed by Toni, the owner of Toko Jaya Logam. He emphasised that *guanxi* is important in everyday life because good relationships can make various matters easier, both in business and in personal life. He stated:

“In everyday life, guanxi is very important. If we have good relationships with other people, it will make everything easier, both in business and in personal matters. The key to successful social relations here is helping one another.” (Toni, owner of Toko Jaya Logam, personal communication, 8 September 2024)

In addition to everyday social relations, *guanxi* also appears in the preservation of cultural traditions. Aihan, the owner of Toko Kerupuk Kemplang Yen Yen, explained that *guanxi* networks help Chinese communities maintain ancestral traditions, particularly during Chinese New Year celebrations and other major cultural events. She stated:

“Guanxi helps us preserve our ancestral traditions and culture. For example, during Chinese New Year celebrations or other major events, we rely on guanxi to organise the event. We usually contact one another through the guanxi network to decide who will help, who will be responsible for the ceremony, and so on. Because these relationships have existed for a long time, it is easier for us to ensure that everyone is involved and that the tradition is carried out properly. This also makes us feel connected to our cultural roots.” (Aihan, owner of Toko Kerupuk Kemplang Yen Yen, personal communication, 9 September 2024)

Suwanto, the owner of Toko Pelita, also emphasised that *guanxi* is closely related to the preservation of traditional values and social responsibility. He stated:

“Guanxi greatly influences cultural development, especially in preserving traditional values. This principle teaches us to maintain good relationships, not only because we want to gain something, but because it is part of our social responsibility. However, in the modern era, there is also a crisis of guanxi because sometimes it is used for unethical purposes, such as corruption.” (Suwanto, owner of Toko Pelita, personal communication, 6 September 2024)

To clarify the forms of *guanxi* in social and cultural interactions, the interview and observation data can be visualised in the following table.

Table 2. Practices of Guanxi in the Social and Cultural Interactions of Chinese Traders at Pucuk Market in Baturaja

Form of <i>Guanxi</i> Practice	Socio-Cultural Meaning
Mutual assistance	Strengthens solidarity and moral responsibility within the community.
Long-term personal relationships	Builds emotional closeness and mutual trust.
Involvement in cultural activities	Preserves ancestral traditions and strengthens Chinese cultural identity.
Distribution of social roles	Shows cooperation and social coordination within the community.
Social responsibility	Emphasises the moral dimension of <i>guanxi</i> practices.

Source: Processed from field observations and interviews with Chinese traders at Pucuk Market in Baturaja.

The data show that *guanxi* in the social and cultural life of Chinese traders at Pucuk Market in Baturaja is practised through mutual assistance, personal closeness, involvement in cultural activities, and moral responsibility to maintain good relationships. *Guanxi* does not only function in trade, but also becomes a way for the Chinese community to maintain solidarity, preserve ancestral traditions, and strengthen communal identity. Thus, *guanxi* can be understood as a socio-cultural practice embedded in everyday life, because the relationships it creates are not based solely on economic interests, but also on togetherness, moral obligation, and cultural values.

Based on the interview and observation data, four main patterns can be identified in the way *guanxi* operates within the social and cultural interactions of Chinese traders at Pucuk Market in Baturaja. First, *guanxi* forms social solidarity through the practice of mutual assistance. The assistance provided is not limited to economic matters, but also includes social, moral, and emotional support. In family, friendship, and community relations, individuals feel a responsibility to help others who are experiencing difficulties. This pattern shows that *guanxi* contains a dimension of social responsibility that strengthens relationships among members of the community.

Second, *guanxi* strengthens emotional closeness through long-term personal relationships. Social relations within the Chinese trader community are not built instantly, but through repeated interaction, informal communication, and shared experience. Relationships that have been maintained over time make members of the community feel closer, more familiar with one another, and more trusting. This emotional closeness makes *guanxi* a foundation for more stable and sustainable social relations.

Third, *guanxi* serves as a means of preserving tradition and cultural identity. Activities such as Chinese New Year celebrations and other cultural events do not function merely as rituals, but also as social spaces for strengthening relationships among community members. Through *guanxi* networks, members of the community contact one another, divide responsibilities, and ensure that traditions continue to be practised. This pattern shows that *guanxi* helps Chinese communities maintain their connection to cultural roots and ancestral heritage.

Fourth, *guanxi* has a moral dimension that regulates social behaviour. Good relationships are maintained not only because of the benefits that may be obtained, but also because of a sense of social responsibility. Values such as loyalty, respect, mutual assistance, and moral obligation become the basis for maintaining relationships. However, the data also show that *guanxi* can become problematic when it is used for unethical purposes. Therefore, *guanxi* should be understood as a social relation that ideally remains guided by moral values and social responsibility.

Based on these patterns, it can be provisionally concluded that *guanxi* in the social and cultural interactions of Chinese traders at Pucuk Market in Baturaja functions as a mechanism for forming solidarity, emotional closeness, cultural preservation, and social responsibility. *Guanxi* not only strengthens interpersonal relations, but also helps sustain cultural identity within the Chinese community. Therefore, *guanxi* can be understood as a socio-cultural practice that connects personal relationships, moral values, and cultural preservation in the everyday life of Chinese society.

3. The Subjective Meaning of *Guanxi* for Chinese Traders

The subjective meaning of *guanxi* for Chinese traders at Pucuk Market in Baturaja shows that *guanxi* is not understood merely as an economic strategy, but also as a way for traders to interpret the social relationships they maintain in everyday life. For the traders, *guanxi* is associated with

honesty, tolerance, responsibility, self-control, and the ability to preserve long-term relationships. Thus, *guanxi* does not only function as a relational network, but also as a moral guideline that shapes how traders interact with customers, business partners, family members, and their wider community. This understanding is consistent with studies that view *guanxi* as a relational practice embedded in trust, reciprocity, moral obligation, and cultural values (Chien et al., 2021; Harun & Biduri, 2019).

Field data show that Chinese traders interpret *guanxi* through values practised in everyday life. These values are not always formally referred to as *guanxi*, but they appear in expressions and behaviours commonly used among traders, such as *cengli* and *cincai*. *Cengli* is understood as honesty, fairness, truthfulness, and respect for agreements, while *cincai* refers to tolerance, flexibility, and the willingness not to exaggerate minor problems. These values indicate that *guanxi* is subjectively understood not only as a relationship that brings economic benefit, but also as a relationship that requires ethics, openness, emotional restraint, and the ability to maintain harmony.

Aming, the owner of Toko Kopi Pempek 288, explained that the values of *cengli* and *cincai* are important in the social and trading practices of Chinese traders. He stated:

"The term often used by Chinese traders is cengli, which means honest and fair. In Chinese society, cengli is very important in trade because it reflects honesty. A trader who is cengli is someone who does not deceive, speaks honestly, and respects commitments and agreements. This principle builds trust between traders and customers or business partners. There is also the term cincai, which in everyday life means being tolerant or flexible in dealing with things that are not important. In business, cincai also means not making a big issue out of small matters as long as they do not affect the main transaction." (Aming, owner of Toko Kopi Pempek 288, personal communication, 7 September 2024)

The subjective meaning of *guanxi* is also visible in the way traders understand the importance of trust that has been built over a long period. Feredi, the owner of Toko Sumber Aluminium, explained that business success is strongly influenced by the ability to manage and expand *guanxi* networks. He stated:

"In my opinion, guanxi plays an important role in the economic field because it builds trust and strengthens business networks. Chinese traders at Pucuk Market in Baturaja, Ogan Komering Ulu Regency, often rely on guanxi networks to gain business advantages. This relationship is more about trust that has been built over many years. Business success often depends on our ability to manage and expand guanxi networks." (Feredi, owner of Toko Sumber Aluminium, personal communication, 10 September 2024)

In addition, interview data with Edison, the owner of Toko Edison, show that the meaning of *guanxi* is also related to moral values influenced by Confucian teachings. These values include honesty, the principle of not harming others, wisdom, hard work, simplicity, and patience. In this context, *guanxi* is not understood only as an external relationship between individuals, but also as the formation of the trader's inner attitude in conducting business. Traders who maintain *guanxi* are expected not only to be skilled in trade, but also to preserve morality, practise self-control, and take responsibility for the social relationships they have built. This finding strengthens previous studies which argue that Chinese business culture is shaped not only by economic calculation, but also by cultural ethics, discipline, honesty, and relational responsibility (Hok, 2019; Putra, 2023).

To clarify the subjective meaning of *guanxi* for Chinese traders, the interview and observation data can be visualised in the following table.

Table 3. The Subjective Meaning of Guanxi for Chinese Traders at Pucuk Market in Baturaja

Dimension of Subjective Meaning	Meaning for Traders
Honesty / <i>cengli</i>	<i>Guanxi</i> is understood as a relationship that must be maintained through honesty and moral commitment.

Dimension of Subjective Meaning	Meaning for Traders
Social flexibility / <i>cincai</i>	<i>Guanxi</i> is understood as the ability to maintain harmony in relationships.
Long-term trust	<i>Guanxi</i> becomes a source of security and social support in business.
Personal morality	<i>Guanxi</i> becomes an ethical guideline in behaviour and trading practices.
Network management	<i>Guanxi</i> is understood as social capital that must be continuously maintained.

Source: Processed from field observations and interviews with Chinese traders at Pucuk Market in Baturaja.

The data show that Chinese traders interpret *guanxi* as a social relationship that contains honesty, flexibility, long-term trust, and moral responsibility. For traders, *guanxi* is not merely a tool for gaining profit, but also a guideline for maintaining harmonious and sustainable relationships. The value of *cengli* emphasises honesty and commitment, while *cincai* highlights tolerance and flexibility in dealing with minor issues. Therefore, *guanxi* becomes a subjective experience that connects economic interests with moral and emotional values in the lives of traders.

Based on the interview and observation data, four main patterns can be identified in the subjective meaning of *guanxi* among Chinese traders at Pucuk Market in Baturaja. First, *guanxi* is interpreted as an ethic of honesty. Traders understand that social relationships can only last if they are built through honesty, openness, and the principle of not harming others. The value of *cengli* shows that honesty is not only a rule in transactions, but also a moral measure for maintaining relationships. This pattern indicates that *guanxi* functions not only as an economic network, but also as an ethical guideline in the social life of traders.

Second, *guanxi* is interpreted as flexibility in maintaining relationships. Through the value of *cincai*, traders learn not to exaggerate minor problems that do not significantly affect the main relationship. This attitude helps maintain relational harmony and prevents unnecessary conflict. This pattern shows that *guanxi* contains a social capacity to balance personal interests, business interests, and the continuity of relationships.

Third, *guanxi* is interpreted as long-term trust. Relationships that have been built over many years provide traders with a sense of security because these relationships can become sources of support, information, and business opportunities. This trust is not merely functional, but also emotional, as it is formed through shared experience and consistency in maintaining relationships. This pattern shows that *guanxi* challenges economic views that focus only on profit-and-loss calculation.

Fourth, *guanxi* is interpreted as moral responsibility in managing social networks. Traders recognise that good relationships must be maintained through hard work, patience, simplicity, and commitment. In this sense, *guanxi* is not merely a network to be utilised, but a relationship that demands moral maturity from those involved. This pattern shows that traders' success is determined not only by trading skills, but also by their ability to maintain the ethics of social relationships.

Based on these patterns, it can be provisionally concluded that, for Chinese traders at Pucuk Market in Baturaja, *guanxi* is understood as a relational system that combines honesty, social flexibility, long-term trust, and moral responsibility. *Guanxi* does not only function as a network that facilitates business activity, but also as a subjective guideline for understanding social relationships. Thus, this finding shows that *guanxi* cannot be understood merely as an economic strategy; rather, it should be seen as a social and moral experience embedded in the everyday lives of Chinese traders.

Discussion

This study shows that *guanxi* in the lives of Chinese traders at Pucuk Market in Baturaja functions not only as a socio-economic network, but also as a multidimensional system of relations. In economic activities, *guanxi* is reflected in trust, honesty, reputation, commitment to keeping promises, and reciprocal relationships with customers and business partners. In social and cultural life, *guanxi* appears through mutual assistance, involvement in cultural activities, the distribution of social roles, and moral responsibility to maintain good relationships. At the subjective level, traders interpret *guanxi* as a relationship that is not merely economically beneficial, but also contains the values of *cengli* or honesty, *cincai* or social flexibility, long-term trust, and moral responsibility. Thus, *guanxi* in this study can be understood as a social relation that connects economic interests, social solidarity, cultural values, and the moral experiences of traders.

This finding can be explained through the concept of *embeddedness*, which argues that economic action does not stand apart from social relations, but is embedded in networks of human interaction (Granovetter, 1985). In the context of Chinese traders at Pucuk Market in Baturaja, buying and selling activities are not determined only by price, capital, or trading strategies, but also by the quality of relationships established with customers, suppliers, fellow traders, family members, and the wider community. Trust becomes an essential element because everyday trade requires moral certainty, especially when formal contracts or written agreements are not always the main basis of transactions. The value of *cengli*, which emphasises honesty, openness, and consistency between words and actions, explains why trading relationships can last over time. Meanwhile, the value of *cincai* shows that social flexibility is needed to maintain harmony and prevent minor conflicts from damaging long-term relationships. Therefore, *guanxi* emerges because traders need a social mechanism that can create trust, reduce uncertainty, and maintain business stability (Ruan, 2017).

Compared with previous studies, this finding is consistent with research that positions *guanxi* as a form of social capital in Chinese society. Gold et al. (2002) explain that *guanxi* plays an important role in shaping social connections, access to resources, and reciprocal relations in Chinese society. Yang (2002) also shows that *guanxi* is related to practices of giving, assistance, and social obligation that strengthen interpersonal relationships. In addition, social exchange theory explains that social relations are maintained because of expectations of reciprocity, whether in the form of help, information, or social support (Blau, 1964). However, this study offers a new emphasis by showing that *guanxi* among Chinese traders at Pucuk Market in Baturaja does not function only as an instrumental economic strategy, but is also interpreted as a moral and emotional relationship. The novelty of this study lies in its explanation that the continuity of *guanxi* is shaped not only by economic benefits, but also by honesty, social flexibility, moral responsibility, and cultural attachment in the traders' everyday lives.

Historically, *guanxi* can be understood as the result of the long experience of Chinese communities in relying on social networks to sustain their economic and social life. When access to formal systems is not always the main foundation, interpersonal relations become an important mechanism for building trust, gaining support, and maintaining business continuity. Socially, *guanxi* functions as a form of communal cohesion because it encourages mutual assistance, informal communication, solidarity, and involvement in cultural activities such as Chinese New Year celebrations and other community events. These relations strengthen social cohesion because traders interact not only as economic actors, but also as members of a community who know and support one another. Ideologically, *guanxi* reflects collectivist values that place social relations, loyalty, harmony, and moral obligation at the centre of social behaviour. In this framework, individual success is not measured only by personal ability, but also by the ability to maintain relationships and fulfil social responsibilities towards others.

Reflection on these findings shows that *guanxi* has both functions and dysfunctions. Its main functions are to strengthen trust, facilitate transactions, maintain customer loyalty, provide social support, and reinforce the cultural identity of the Chinese community. Through *guanxi*, traders can obtain information, assistance, economic opportunities, and a sense of security in dealing with market uncertainty. However, *guanxi* may also create dysfunctions when there is excessive dependence on personal closeness. Reliance on social networks can produce exclusivity, limit access for outsiders, and make economic opportunities more available to those with close relationships. In addition, the moral obligations embedded in *guanxi* can become a social burden when individuals feel compelled to maintain relationships that are no longer healthy or economically beneficial. In certain situations, *guanxi* may also shift into less transparent practices when decisions are based more on personal closeness than on professionalism and objective considerations.

Based on these potential dysfunctions, an action plan is needed to balance the positive values of *guanxi* with the principles of transparency and professionalism. First, business actors need to strengthen more open, orderly, and rule-based business systems so that access to economic opportunities does not depend solely on relational closeness. Second, positive values within *guanxi*, such as trust, loyalty, and mutual assistance, need to be integrated with modern business ethics so that social relations continue to support professionalism. Third, business networks should be made more inclusive through cross-community collaboration, entrepreneurship training, and local business forums that provide opportunities for actors outside internal networks. Fourth, culture-based business ethics education should be developed so that *guanxi* continues to be understood as a moral relationship that strengthens solidarity, rather than as a justification for exclusive, non-transparent, or unprofessional practices. In this way, *guanxi* can continue to function as productive social capital while upholding openness, fairness, and accountability in economic activities.

Conclusion

This study concludes that *guanxi* among Chinese traders at Pucuk Market in Baturaja is not merely a social network used to support trading activities, but a complex relational system that integrates economic, social, cultural, moral, and emotional dimensions. The main finding of this research shows that *guanxi* functions as a mechanism of trust, reciprocity, and long-term relationship building. In everyday trading practices, *guanxi* is expressed through honesty, commitment, mutual assistance, social flexibility, and the maintenance of good relations with customers, business partners, family members, and the wider community. Therefore, the economic practices of Chinese traders are not driven solely by profit-oriented rationality, but are also shaped by moral values, emotional commitment, and social norms embedded in their relational life.

Scientifically, this study contributes to the broader understanding of *guanxi* by shifting the focus from an instrumental perspective to a more interpretative and multidimensional perspective. Previous studies have often emphasised *guanxi* as social capital or as a strategic mechanism for gaining economic access and resources. This study extends that understanding by showing that *guanxi* is also a subjective and cultural construction shaped by traders' lived experiences, moral obligations, and communal values. In addition, this research contributes empirical data from a local Indonesian context, particularly the Chinese trader community in a traditional market setting, which has received less attention in previous discussions of *guanxi*.

Nevertheless, this study has several limitations. First, the research focuses only on Chinese traders at Pucuk Market in Baturaja, so the findings cannot be broadly generalised to all Chinese communities or other economic contexts. Second, the qualitative approach and limited number of informants restrict the range of perspectives that can be represented. Future studies are

therefore encouraged to conduct comparative research across different regions, communities, or types of markets. Further research may also combine qualitative and quantitative methods in order to provide a more comprehensive understanding of how *guanxi* operates in various social, cultural, and economic settings.

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