

# Smartphones and Outsidership in Prato's Small Business Community

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**Abstract** The theories of outsidership and insidership, and of foreignness, create contested discourse about the globalization of businesses, large and small. This chapter reviews the relationships between businesses, Chinese migrants, and mobile telecommunications based on available published research and on two small constructivist studies undertaken in Prato, Italy in December 2015 and May 2016. The studies generated two fresh datasets that are analyzed in the chapter. Prior studies of Prato's industrial district have been undertaken by economists, sociologists, political scientists, geographers, anthropologists, linguists, and media scholars (among others). This chapter focuses on overturning the usual representation of outsidership and foreignness in Prato. The chapter argues that many Wenzhounese outsiders (numerous hardworking micro businesspeople) insert their own portable insider networks and tight-knit practices in Prato. They thus marginalize the local textile manufacturers into the role of outsiders in their own territory. Many of the migrants from Wenzhou, China, along with their family businesses and self-selected virtual networks, tend to act independently with the assistance of smartphones. The trading conditions that they experience in Prato are similar to those in Wenzhou.

**Keywords** Micro business · Migrants · Wenzhou · Chinese values · Chinese guanxi · Smartphones · Grounded theory

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## 1 Wayfaring and Reflecting

Business in Prato is dominated by textile-manufacturing firms and by numerous Chinese migrants who staff and manage small businesses that make ready-to-wear fast fashion. In 2013, Prato had 50% more clothing companies than textile manufacturers (European Foundation 2013, pp. 13–31).

Prato's Chinese enclave increasingly extends to the northwest of the old city gate (Porta Pistoiese), and resembles any shopping neighborhood in China. The community appears self-sufficient, with few overt signs of interaction with Italian people in space, culture, or language. The profusion of shops in Via Pistoiese continues to expand, featuring retail clothing and services such as restaurants and hairdressers. Evidence of the increasing prosperity of the area includes new jewelry retailers selling high-end watches.

Smartphones are no longer luxury items owned only by the wealthy, and this chapter examines how smartphones enable the Chinese outsiders to become insiders in Prato. Section 2 discusses the appropriate theory and the interpretive methods behind our analysis. It considers the effects of the different Italian and Chinese approaches to business strategy, governance structure, finance methods, product quality, and marketing techniques. We introduce the two sets of interviews undertaken with Chinese micro-entrepreneurs in 2015 and 2016 that examined their smartphone use. The overarching aim was to determine the extent that Chinese entrepreneurs benefit from being ethnic and business outsiders, while at the same time importing strong, well-established insider customs.

Section 3 outlines the scope of micro businesses in Prato, and the size of their Chinese component. We explain why we undertook a second set of interviews in 2016; they provide more detail than the first set. Smartphone use is extensive across China and Italy, and the quantity of smartphone use by the Chinese entrepreneurs implies definite benefits of use. We also note the values attributed to the ties between Chinese migrants and other non-European Union (EU) migrants. While smartphones are widely used for business, the Chinese migrants in our study also used them to manage their family affairs. They are particularly suited to the establishment and maintenance of the Chinese *guanxi* (social networks) that provide a forum for shared beliefs, trust, conviviality, and the sense of belonging.

Chinese and Wenzhousese values are often identified as a foundation of business practice. The penultimate section of this chapter explores the relevance of these values to Wenzhousese micro businesses in Prato and to smartphone use. Many Chinese migrants aim to have a successful business in Prato. However, their trajectory is disrupted by accusations of illegality, by feelings of insecurity, by the limitations of risk-taking, by government interference, and by business fluctuations.

Finally, we explore the implications of the preceding discussions. We try to answer important but difficult questions. Have collaborations between local Italians and migrant Chinese improved in recent times? Do the insider and outsider concepts affect such collaborations? Can smartphones help to resolve differences? We propose that smartphones be developed as a fulcrum for improved collaboration

among businesses. However desirable language skills may be for improved business and cultural interactions, their lack is still a considerable obstacle. To some extent, smartphone translation can assist. We recommend some future research projects.

## 2 Theoretical and Interpretive Conundrums

Prato is complex from social, theoretical, economic, and governance perspectives. This chapter tries to clarify some of the persistent issues pertaining to the micro businesses in Prato, to the concepts of belonging, to the lack of community collaborations, and to the roles of mobile phones.

To date, the economic theories about outsidership, foreignness, and networked interactivity are based on the analysis of specific institutions such as multi-nationals (Johanson and Vahlne 2009) and small and medium enterprises (SMEs) (Schweizer 2012). International business studies do not deal with the place-based dilemmas of business marginalization, nor with how to cope with the incompatible business cultures in Prato. Research by a dedicated group of local academics who maintain a long-term commitment to interpretation of their context is the exception (e.g., Dei Ottati 2009a, 2014; Guercini 2002, 2008). Only recently have scholars begun to explore the make-up of Industrial Districts such as Prato as independent entities (Lombardi and Sforzi 2016).

Fundamentally, we question whether studies of the liabilities of foreignness or outsidership assist in understanding an industrial city like Prato (located far from the source of Chinese revitalization). Is Prato—as the center of an Industrial District—seriously trying to resolve incongruous business strategies, structures, financing, products, and marketing techniques?

Identifying the attitudes and behaviors of local Chinese migrants should help to clarify their motivations and practical actions based on the experiences of daily living. To investigate the Chinese experiences in Prato, we adopt a constructivist research approach to understand their business outlooks and operations (Johanson and Vahlne 2009, p. 18; Schweizer 2012, p. 85).

In the last decade, the first and third authors of this chapter have spent periods in Prato observing business patterns and changes. The second author lives on site. Having previously lived in China, the third author is fluent in Mandarin. The third author undertook a research visit to the city in December 2015, which included conversations in Chinese with ten Chinese micro business managers. This visit raised questions about their lack of contact with Italian culture, the social capacity of the Chinese, and the use of mobile communication devices. In May 2016, the second author undertook a more in-depth study by interview of 20 Chinese micro-entrepreneurs, investigating their mobile phone use. Small Chinese enterprises in Prato use smartphones very extensively for business management, but even more so for the arranging their family lives and for amusement.

A high proportion (approximately 90%) of the customers in Via Pistoiese are Chinese. The first set of interviews revealed that the Chinese owners found it difficult to attract Italian shoppers. Despite speaking Italian, one interviewed shopkeeper could not sell clothes to Italians. The few Chinese clothing shops that existed inside the old city walls in 2010 have now vanished.

In 2008 we noted that the Chinese migrants in Prato used internet cafes for business services and for forging networks (Denison and Johanson 2009). By December 2015 they relied more heavily on smartphones (seven of the ten interviewees used smartphones). The most popular smartphones are Chinese brands, followed by Apple iPhones, and Samsung phones. During the first study all of the overheard conversations and the observed text messages were in Chinese. To obtain the first interview set, we interviewed ten business people, some of whom we previously interviewed for different studies. The results of the first interview led us to undertake a second interview set—detailed in Sect. 3—to understand better the value of smartphones to micro businesses.

Since the early 1980s Prato's experiences of various co-national business successes and upheavals have been charted often (European Foundation 2013; Ceccagno 2009; Lombardi and Sforzi 2016). Previous studies show the high economic and social costs of non-collaboration for the Italian and Chinese people living in Prato. The studies show evidence of abuse of power, of the absence of formal institutions promoting co-operation, of social isolation from the host country, of segregated business objectives, of low levels of trust, of avoidance of legal obligations, and of threatened value systems. Unsurprisingly these issues are described as a set of serious liabilities or burdens (Guercini and Milanesi 2016).

Initially the Chinese influx—mainly from the city of Wenzhou—into Prato was unheralded and unplanned. The Wenzhouese brought their own networks (*guanxi*) that functioned independently of the local networks, even bypassing them (see Sect. 4). Mobile phones acted as both convenient business tools and family organizers. To the Chinese, the smallness and/or newness of their enterprises seemed of little consequence (Singh et al. 1986; Bruderl and Schussler 1990). The Regional Institute for Economic Planning of Tuscany (IRPET) estimated that the gross domestic product (GDP) of the Prato region would decline by 22% without its Chinese contributions (Lombardi and Sforzi 2016, p. 11).

In a positive sense outsidership has a good counterpart. In international business, insidership can be characterized by trusted networks, positive relationships, social capital growth, reciprocity of values, opportunities for expansion, and ongoing learning and sharing of knowledge. These hallmarks are interrelated (Lombardi and Sforzi 2016). Typically, such desirable features trigger reliable networks, entrepreneurial attitudes, risk-taking, bold decision-making, venture capital, family support, and fresh perspectives. Each of these features suit small family-based businesses, and depend heavily on the flexibility that derives from technological efficiencies (Johanson and Vahlne 2009; Schweizer 2012).

### 3 How and Why Are Smartphones Used? Statistics and Interviews

We convey some of the scope of the enterprises under scrutiny by examining the number of Chinese migrants and Chinese businesses in Prato.

Thousands of Wenzhousese work in Prato (Zhang and Zhang 2016). Prato's overall population is approximately 191,150 (Istat 2015a), with about 16,918 being official Chinese migrants (Prato Municipality Statistical Office 2015). Frequent speculation in the mass media that up to one third of all of the Chinese in Prato are illegal and unregistered does not assist in making precise statements (Nadeau 2013). In Italy as a whole, the number of Chinese migrants increases by approximately 2% annually (Istat 2015b).

The European Commission defines microbusinesses as firms with fewer than ten employees, or with an annual turnover of less than €2 million (European Commission 2016). We took into account the employee numbers only in the interviews, because we did not expect to receive accurate information from the interviewees about their annual turnover.

In assessing the number of Chinese microbusinesses in Prato, Ceccagno (2012) asserted that "... *provisional data for 2011 show that 4945 Chinese businesses were active...*". More roughly Chen estimates the number at between 4000 and 7000 (Chen 2011, p. 19). China itself is characterized by high numbers of micro businesses (Liu 2008, p. 38).

In 2011, between 81 and 92% of Prato's clothing companies were Chinese-owned, depending on the source quoted (Bracci 2015, p. 86; Ceccagno 2009, p. 6; Huang 2015). Chinese businesses contribute 11% to local gross domestic product (IRPET 2015). The number of Chinese businesses in Prato grew steadily in the period 2008–2013 (Dei Ottati 2014, p. 1256; Lombardi and Sforzi 2016, p. 7), while the number of European-owned businesses shrank (a financial crisis in Europe peaked in 2009–2011).

We sought to find out how Chinese micro businesses were using smartphones. In May 2016, the second author undertook in-depth interviews with 20 micro entrepreneurs, and asked about their uses of mobile phones. He found that small Chinese enterprises in Prato use smartphones for every aspect of their businesses, and even more extensively for their family lives and for amusement.

We identified the interviewees using purposive and snowball sampling, and conducted semi-structured questions with them in Chinese. The data from both rounds of interviews (sets one and two) were analyzed using grounded theory methods (Williamson et al. 2013). The second set of interviews elicited basic facts from the participants concerning their businesses, their experiences in Prato since migration, the importance of their smartphones in business and daily lives, and their communication within the Chinese community in Prato.

We only interviewed businesses that used smartphones. The features of the cohort are notable. Eleven women and nine men participated in the second interview set. Of the 20 participants, 13 were involved in clothing and textiles, three in

restaurants, and one each in a wine shop, a food shop, a travel agent, and a lamp retailer. We focused on businesses with fewer than ten employees. On average, the businesses had four employees, ranging from a one-woman firm to a firm with seven employees. On average, the participants had worked in Prato for 11 years (ranging from 2 to 20 years).

The interviewees ranked their smartphone use for various business features using a scale of one (least important) to ten (most important). On average, the group ranked their smartphone use for business purposes at eight. However, they ranked their use for social communications and family organization both at 9.4. Regarding the many possible uses of smartphones, having a friendly chat was just as important as doing business. Other studies support the dominance of social use of smartphones (Steyn 2016).

The business functions that the interviewees used their smartphones for included: advertising, checking on the competition, finding new customers, collecting useful information, gathering news, translating from Italian into Chinese, finding workers, locating accommodation, buying, selling, managing day-to-day tasks, planning, dealing with regulatory authorities, and arranging travel. One interviewee in a fast fashion business described the integration of business needs and technology and personal communications, as efficient and organized:

I have a common chat group<sup>1</sup> with several [of my] workers in order to manage the workflow and send information, [and] with the others we just talk [face-to-face] or have a phone call.

(19 May 2016).

Smartphones assisted some migrants with the initial migration process from China, helping to locate compatriots, accommodation, and jobs. When asked whether the smartphone assisted in settling in Prato, the Chinese interviewees commonly said that the phone made them feel “*very comfortable*”. A bag retailer explained, “*When I need support and information, WeChat<sup>2</sup> provides everything that I need*” (4 May 2016).

To illustrate the potential quantity of links, one interviewee (a lamp retailer) had approximately 3000 contacts in Chinese on WeChat. In contrast, another interviewee had only approximately ten contacts. The interviewees had mostly Chinese friends, with few Italian friends (5:1). Half of the interviewees (ten migrants) maintained daily contact with their friends in Prato by phone. Further, they maintained weekly, monthly, and annual conversations with their family and friends in China.

The most popular website, used by 60% of the Chinese interviewees, was *Huarenjie*, a virtual Chinatown network dedicated to Chinese people living in

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<sup>1</sup>A facility that permits free-flowing conversations in the form of a short message service (SMS) (also known as a text message).

<sup>2</sup>A large Chinese texting service.

Europe, containing consumer information and a strong focus on Chinese entertainment. Others used unspecified Chinese websites.

#### 4 Smartphones for Chinese Business and Family Ties

For Wenzhouese micro businesspeople, Europe presents a ‘chessboard’ of opportunities (Huang 2015; Lan and Zhu 2014). Interestingly, in reference to outsiders, one interviewee (a fast fashion businessman) still kept in touch with “*friends from Africa and from Pakistan who were my classmates in high school [in Italy]*” (15 May 2016). He considered those friends at least as close to his way of life as the Italians in Prato. For him, the outsiders were his insiders.

Greece, Portugal, and Italy have the largest proportions of manufacturing micro enterprises in Europe (Schmidt and Lane 2009). One female interviewee in our second set, a major shareholder in a Chinese family micro enterprise, said that she uses her phone to “*...often share business information with friends in Prato, in other Italian cities, or European countries such as Spain*” (4 May 2016).

Micro businesses enjoy advantages over larger firms, including the ability to adapt quickly to sudden changes and/or a crisis (Donner 2010). Smartphones assist the smaller operations in many ways. One of the interviewees in the second set was the eldest son of a bag retailer in Prato. He had worked in Prato for four years, and had 100 Chinese friends there, but no Italian friends. He explained:

When I need support and information, WeChat provides me with everything... Thanks to social networking I find solutions to my problems, such as... information on official documents.

(9 May 2016).

Generally, smartphones assist the migrants to obtain financial loans, gather business intelligence, contact colleagues, spread advertising, check in with their boss, to keep up-to-date with personal networks, or *guanxi* (Xia 2012), maintain contact with suppliers and customers, monitor prices, avoid travel costs (time, money), plan face-to-face meetings, create virtual offices, and keep records for accountability (Donner 2008). Smartphones are also widely used to transmit money back to China. In 2011, China received the second-highest amount of remittance money in the world, no less than USD \$66 billion (Ratha et al. 2012).

Earlier studies on the benefits of mobile phones emphasize increased productivity and thus profits for micro-entrepreneurs (Donner 2005). In Shanghai, one micro businessman who was questioned kept approximately 2000 regular and occasional clients on his mobile contact list (Yuan 2012, p. 11). In addition to our interviewee who maintained 3000 contacts on WeChat, another of our interviewees (the owner of a fast fashion company) kept over 700 contacts in her smartphone.

The social values of smartphones remain under-researched (Donner 2010; Steyn 2016). Smartphones play a significant role in the family businesses, which make up 85% of all Italian enterprises (Italian Association 2016). A 37-year-old woman

from south of Wenzhou, working in a sewing machine business in Prato, explained the overlap in 2011:

My mobile is important to talk to customers about their orders, namely the colors of yarn and sewing machine models, but I also use it every night and on weekends to talk to my husband and children back in Fujian Province.

Quoted in Johanson and Fladrich (2015, p. 184).

That woman's family had not migrated with her. Transnational mothering by migrant women is increasingly serviced by mobile phone. In an analysis of research literature on women migrants and mobile phones, Lim found that the phones helped the women to cope with the severe emotional dislocation caused by migration (Lim 2014, p. 358). Children are cultivated as an insurance policy against the future of the family *guanxi* (Krause and Bressan 2015).

Researchers point out that it is fruitless to try to segregate personal phone calls from micro business calls, because the two are interdependent (Donner 2007). The divide articulated by Granovetter (1983) between strong and weak ties becomes indistinguishable in the case of the Wenzhouese; the strong merge into the weak, and vice versa (Johanson and Fladrich 2015, p. 187; Lan and Zhu 2014). In the West, what is personal is private, and business is discrete work. However, this is not the case for Chinese businesses, where no external agent is required for accessing insiders (Yuan 2012). With *guanxi*, pluralistic ties constitute a network of essential relationships underwritten by the dedication of personal time and experienced congeniality (Yuan 2012). In Prato, a serious consequence of the focus on *guanxi* is that it excludes other local business community members, turning the liability of outsidership on its head. Social networks become "*more dense and insular*" as mobile phones "*strengthen social ties*" (Lan and Zhu 2014, p. 627).

Mobile phones decrease the social isolation of migrants as a group: as a collective, they are well served. In a survey in Beijing, China, 69% of poor migrant laborers said that mobile phones gave them a feeling of being closer to others (Fortunati et al. 2008). In the second set of interviews, we interviewed a female clothing retailer who had 20 Chinese friends in Prato and no Italian friends. She spoke no Italian, despite living in Prato for 10 years. She talked about her daily customs:

I live a very simple life... Every day I work for long hours so through my mobile app I can chat... When I finish working I chat with friends and I feel better.

(6 May 2016).

Mobile phones tap into the Chinese rituals for community belonging and shared beliefs (Wallis 2013), which connects with the ability to thicken small business relationships characterized by horizontal reciprocity (Dei Ottati 2014, p. 1263; Dei Ottati and Cologna 2015). Blanchard and Castagnone wrote that a Chinese person in Prato

associates only with people one trusts, and from whom one thinks one can obtain something at the appropriate time. Everyone... is obliged to meet the requirements of an intrinsic



'code of ethics'... Guanxi bonds... are transnational and can involve both relatives and acquaintances who live in China and members of the Chinese diaspora in other countries.

Blanchard and Castagnone (2015, p. 282).

The collective network guarantees identity and security to a member, "*a thick web of market and community relations*" (Dei Ottati 2014, p. 1264) facilitated by the mobile phone (Johanson and Fladrich 2015). The Chinese ethnic enclave and the pervasive means of communication have allowed the Chinese migrants to be successful insiders in a thriving business community, while being outsiders from an ethnic perspective. In the second set, we interviewed a woman who owned a fast fashion business in Prato for the last 14 years. She described how she uses her smartphone:

My smartphone helps me to run my business... I surf the internet but only Chinese websites because I cannot read Italian... I do not feel that I belong to either the local population or the place where I live. I still have the impression that I am a foreigner.

(10 May 2016).

With 200 contacts in her phone directory, her strong interpersonal networks allowed her to defy the orthodox liability of outsidership, and to a certain extent to render the non-Chinese businesses in Prato as outsiders in their own city.

## 5 Rapid Adoption of Smartphones

In the ten years between 2000 and 2010, the global number of mobile phones increased from one billion to four billion (Donner 2010). Some studies briefly mention the use of modern information and communication technologies by Prato businesses (Dei Ottati 2014, pp. 1251–1265; Lan and Zhu 2014, p. 171), but no studies address the topic in-depth.

In China, 90% of people use SMS (Xia 2012), fueling the power of guanxi. SMS messages are facilitated by Chinese social media applications such as WeChat and Sina Weibo (Farrar 2012). In China, between 53 and 73% of mobile users own smartphones, depending on the source of information (Statista 2016; Nielsen 2015), with Chinese people owning 1.029 billion mobile phones in total (Statista 2016).

There are no statistics for mobile phone ownership in Prato, but our observations suggest that it is growing. A recent study in Milan showed that Chinese migrants were the heaviest users of mobile phones after the Egyptian migrants in that city (Bajardi et al. 2015, p. 5). Smartphones comprise approximately 62% of all mobile phones used in Italy (Statista 2016). Smartphone use increases by 50% annually in Europe, and by 57% annually in China (Internet Society 2014, p. 38). The faster and cheaper that smartphones become, the more they will be used as essential business tools.

## 6 Personal Chinese Business Motivations and External Resistance

Values affect the business conduct of outsiders and insiders in fundamental ways. For Chinese people, many values are expressed as part of *guanxi*. De Pretto demonstrated the unwavering strength of Chinese values among the Wenzhouese people at home and even abroad (De Pretto 2015; Johanson et al. 2013). She applied a list of behavioral expectations, enumerated as a standard Asian Values Scale, to different groups of Wenzhouese people, testing statistically the strength of adherence. Many items on her list relate to business acumen and group solidarity, and they lend themselves to reinforcement by mobile phone communications. For example, it is believed that Chinese people should submit to the wishes of the family hierarchy, should succeed in life (as a top priority) for family honor, should not deviate from social norms, and should think about the group before the individual (Kim and Hong 2004). Researchers of mobile phone use have created similar lists about the merits of mobile phones. They assess the strength of values relating to collectivism, expression of personal emotions, desire for entertainment, and meaningful communicative transactions. Survey participants in three Chinese cities frequently used SMS texting just “*to chat and kill time with my friends*”, and “*to talk about work*”. (Xia 2012, p. 137). Our second set of interviews indicated the same preferences.

Others have a different view of Wenzhouese values. Zhang and Zhang depict Wenzhouese business migrants as narcissistic, challenging, disobedient, pompous, and restless (Zhang and Zhang 2016). Some Wenzhouese migrants in Melbourne, Australia, used similar descriptions in interviews in 2013. They explained how they needed to behave differently on visits home. They identified the native Wenzhouese as pragmatic, introverted, inscrutable, conniving, parochial, poor mixers socially, and loud and noisy (Johanson et al. 2013). Among our second set of interviewees, one interviewee resisted mixing socially with compatriots in Prato, saying, “*I seldom go out with Chinese people because... they are too noisy*” (3 May 2016). Such traits are very unlike the sober Confucian behaviors explicated in formal surveys of Chinese values, although they could still assist successful entrepreneurship.

The Wenzhouese passion for productive work means that the owners of micro businesses are not very interested in civic or cultural engagement in Prato (Dei Ottati and Cologna 2015). Their collective values and loyalties lie elsewhere (Berti and Valzania 2015). Additionally, most cannot rescind formal Chinese citizenship easily.

Wenzhouese laborers in Prato may spend 18 h a day at machine work, churning out clothing for a payment of €1–€2 per hour, according to German media (Williams 2015), with no leisure time. Local Italian businesses sometimes exploit the migrants. Italian traders facilitate the penitentiary conditions in the sweatshops by requiring ever-lower prices and shorter deadlines (Dei Ottati and Cologna 2015).

One male micro entrepreneur in Turin, Italy, explained the Wenzhouese obsession with work:

Self-employment is in our culture. The Chinese do not want to be under other people... You gamble, but you have to try. It's just our culture... First one saves a lot and puts money aside and then one opens something... We work hard and never take a vacation.

Quoted in Blanchard and Castagnone (2015).

Business ownership brings high status in Prato. We asked the second set of interviewees whether the ownership of a smartphone also improved status. In accordance with collective values, half of the interviewees acknowledged that a big benefit of the phones was that they made them better known in the community. For the Wenzhouese, business failure and inability to repay compatriots is serious, and has been known to lead to suicide. Loss of faith in the Wenzhou business model took hold in 2012, leading to bankruptcies and self-destruction in Wenzhou itself (Volodzko 2015). Saving face (*mianzi*) is a strong Chinese value. After 10 years, 86% of Chinese businesses in Prato close down (IRPET 2013) suggesting that business ideals may be short-lived. However, closing a business can be a clever ruse, as Ceccagno explained. Some businesses close after 1 year of operation to avoid paying tax and they then re-open under another name (Ceccagno 2012, paragraphs 36, 43).

The media focuses very much on any illegal aspect of Wenzhouese life in Prato (Donadio 2010). Many journalists try to estimate of the number of illegal migrants in Prato, with 50,000 being the highest cited figure (Bracci 2015, p. 98). New arrivals are described primarily as illegal, and their behavior is censured. Chinese people are accused of smuggling billions of dollars out of Prato (Cornish 2016). Chinese-owned businesses that function in Prato outside the local laws on labor and safety at work attract the ire of the authorities (Lan and Zhu 2014). It would be naïve to think that mobile phones were not used to assist in any illegalities (Ehlers 2006).

Mobiles phones are also regarded as essential for personal security. Chinese people do not feel protected by the Pratese authorities. Prato's local Chinese people have established an alert system on WeChat to inform groups how to be protectively aware. One interviewee closes her fabric-cutting factory late in the evening, when it is already dark. Although she has lived in Prato for 10 years, she believes that "*Prato is not a safe place, so I use social networks to share news about robberies, and to identify thieves*" (16 May 2016).

In January 2016, thousands of Chinese migrants protested in Rome about the lack of Italian state care for their businesses and persons (Cardone 2016). In the following month in Prato, 2000 Chinese migrants marched for greater protection against robberies, muggings, and theft. That unprecedented number of protesters requested proper police support for security, legality, equality and justice (Tarantino 2016).

Notably, some Wenzhouese business values were shaped long ago. During China's Cultural Revolution—and the nationalization of its commerce—Wenzhou was the only part of China that managed to maintain a capitalist business model. Consequently, the Wenzhouese have endured government surveillance and harassment in China for decades. From about 1979, the manufacturing areas of Wenzhou entered a steep economic decline (Lombardi and Sforzi 2016).

Wenzhouese resistance to authority was forged in adversity. In 1995–1996, the Chinese national government sent 8000 officials to destroy 10,000 buildings near Beijing, ousting 37,000 Wenzhouese residents who worked there illegally and paid no tax (Hoy and Qiang 2003).

One journalist interviewed Luigi, a Wenzhouese businessman in Prato, who arrived poverty-stricken in 1993 with 11 other illegal migrants:

He calls himself Luigi because it's easier for Italians to remember... Viewed as traitors [to China then, Wenzhou migrants] are now China's vanguard. They send know-how and money back to the mother country, are courted and are treated as models... Luigi spent... two years as a forced laborer, hemming pants 18 h a day and earning €500 a month under the table, ten times the average worker's wage in China.

Ehlers (2006).

Recent memories of economic deprivation and fickle authoritarian treatment at home may affect contemporary business attitudes in Prato. Self-protection is reinforced. Although treatment has improved in China, in Prato itself, the Wenzhouese migrants—whether legal or not—have continued to endure severe disruption and discrimination from the local authorities and citizens. As isolates, Prato's Wenzhouese migrants closed ranks, turning to their own networks for internal support as their businesses grew. Sustaining family wealth is an embedded and enduring endeavor that defies intimidation.

One Chinese female restaurant owner with five employees described a dichotomy in her communications:

I know some Italians, but except for work purposes we do not communicate... I do not feel I belong to Prato because the people I have contacts with are Chinese. I am more attached to the Chinese community [in Prato]... Thanks to the direct contact with relatives and [Chinese] friends, they helped to make me feel at home [in Prato]... I still have many relatives and schoolmates. I often talk to my parents [in China by phone].

(10 May 2016).

Outsidership affects this woman's way of life; but she has created her own form of portable and comfortable insidership.

## 7 The Future

It is easy to find anecdotal evidence of constructive cross-cultural interactions between Italian and Chinese people in Prato. These include mention of joint employees, customers, agents, computer services, business deals, complementary companies in Prato and Wenzhou, romantic friendships, and the employment of cross-cultural clothes designers, receptionists, quality controllers, translators, lawyers, and accountants. Many would like to see greater cross-cultural links, but there is slight evidence of positive collaborations. In February 2016, the deputy mayor of

Prato expressed a public hope for healing the divisions in the community (Tarantino 2016). Many commentators with a civic conscience see the need for readjustment. Recently, a Chinese journalist in London expressed (in broken English) a strong wish:

Both the Chinese and the Italian need to make efforts to understand each other and have more efficient communication without bringing too much emotions. It has been a hard time for Italian government to rethink their law and political systems which relates to its economic recovery practices. Meanwhile, the Chinese immigrants might slow down the pace in their busy business.

Huang (2015 p. 2).

Being busy precludes improved interplay. In Prato itself, one of our Chinese interviewees pointed out that an interest in learning Italian could be taken as an indicator of enthusiasm for staying in Europe:

Attachment to Prato as a place depends on a knowledge of Italian. If you do not know [Italian] then you want to return to China. If you can speak [Italian here] one feels at home.

(3 May 2016).

Many scholars and prominent Prato citizens express hopes for better collaborations between Chinese businesspeople in Prato and the local Pratese (Dei Ottati 2014). They argue that everyone would benefit, economically and socially, from increased connectivity. Perhaps mobile phones can be conscripted to the cause, by offering more cross-cultural services, such as translations, a pool of customer contacts, market intelligence, information about regulations, specialist advice, and links to professions and associations. The potential participants in situ should be consulted about their needs. We can envisage a mobile business application resembling a broad, virtual network.

A fundamental obstacle to collaboration is that Chinese migrants themselves see little purpose in non-business liaisons. Their aim is to make money, as laborers or owners, and to depart the host country. Many settle only for as long as they earn profits. They are wary of being exploited by Italian businesses and authorities. The investment that they make in Prato is not in social capital, citizenship, civic activities, or local culture, but is directed instead toward saving sufficient funds to enlarge their business networks among their co-nationals, to become bosses (*laoban*), and eventually to sell up and move back to Wenzhou as persistent luminaries. Mobile communications assist in every stage of realizing these dreams.

Change may be forced upon the Wenzhouese business community in Prato by the shrinking pool of cheap laborers available from China (Ceccagno 2012). Lan and Zhu (2014) call for more research into the consequences of slowing migration and labor supply during economic crises. There are other pressures. Stricter controls by police, and health and labor departments, and the decreasing value of the Euro, are all having an impact. Sewing firms did not grow in productivity in 2015 (Camera di Commercio Prato 2016). There are signs that the *laoban* are employing cheaper African and Pakistani labor in their factories rather than Chinese workers (Vannacci 2016).

Future research might also pursue the idea that mobile communication devices may impact on outsidership generally, and not just on the Wenzhouese in Prato. Mobile phones may affect all of the migrants to Europe, and their engagement with local business, including the most recent mass exodus from northern Africa and the Middle East. The principal functions of smartphones warrant further exploration, particularly with regard to group affiliation, whether it be for business or for personal identity and development (Yuan 2012, p. 16). More research could be undertaken following Johanson and Fladrich (2015, p. 179) into the nature of portable virtual migrant communities.

Further research could also undertake a comparative study into the use of mobile phones by Italian (or Prato) micro-entrepreneurs in situ.

A recent study in Milan, Italy, used the mobile phone both as a research tool and a source of data. Bajardi et al. (2015) collected data on anonymized phone calls and SMSs over a period of 2 months, then analyzed these to indicate the primary locations of the callers. They isolated the possible reasons for the identifiable clusters of communications. Bajardi et al. analyzed the dialed international codes to find that 221 countries were contacted altogether. They determined the population distribution of specific nationalities in Milan by collating the phone data with census information. Of all of the nationalities in Milan, Chinese international phone activity was the second highest, after Egyptian activity. This suggests that mobile phones serve business and social needs very well in practice. Bajardi et al. also plotted trends in the movement of remittances.

In Prato, use of mobile phones by Chinese migrants is as intensive as at home in China, with their networks reinforcing traditional values and enabling long-practiced business activities. Using the mobile phone conveniently serves the needs of Chinese *guanxi* norms. A Chinese business is commonly connected with a family, or a set of networked families. Therefore, the mobile phone becomes the fulcrum of daily interaction with both family members and compatriots, and with business resources, partners, know-how, the supply chain, connected traders, and wholesale and retail clients. The phone serves both audiences (family and business) well, saving time, money, and travel. Chinese people do not distinguish between personal space and doing business. A business partner is treated like family, and reciprocation is required.

The concept of outsider has limited relevance to Chinese migrant businesses. It seems that many are not aiming high—they are opportunists who fit within the niches left by bigger businesses. Chinese entrepreneurs are as ephemeral as any small business can permit, changing product focus or converting one enterprise to another in response to market vagaries or regulatory pressures. They are agile, adapting quickly to changing external influences (whether they be widespread economic growth or depression), or to vacillations in the fashion marketplace. Many send remittances home to Wenzhou by mobile phone, dodging conventional transaction fees. They have little time for leisure or cultural entertainment, and measure the investment of time in terms of marginal profits. The mobile phone enables these entrepreneurs to keep up-to-date with local and international business trends, to manage family, to organize employees, and to plan on-the-hop.

The majority of Chinese businesses in the Industrial District of Prato are small; many are family-based, with fewer than ten employees. They operate in a trading domain dominated by insiders, collective protectionism, and Chinese minds focused on business above all else. Experience of harassment, lack of time, short-term survival, and maximizing profits constitute a heritage that animates their spirits. Smartphones provide ideal business and social tools for the hectic daily life.

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