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NEGOTIATING GLOBAL FINANCE
Trading on *Dalal Street*, Mumbai

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This paper delineates how stockbrokers in Mumbai negotiate (contest, reconcile and appropriate) global finance. In recent years, the social studies of finance have grown profoundly, enhancing our understanding of finance across disciplinary boundaries. However, the way in which global finance is practised by local stockbrokers in non-western financial markets has received minor attention. Even though the Mumbai financial market is comparatively small, it is an instructive case due to a transition of financial practices over the previous two decades. Despite these rapid changes, the Bombay Stock Exchange (BSE), the oldest exchange in India, and its 'traditional' brokers remain active and relatively influential. Drawing on present-day experiences as well as historical recollections of BSE stockbrokers, this article shows that global finance is not an unambiguous or predictable force, but instead negotiated and thus actively shaped by local stockbrokers.

KEYWORDS: Bombay Stock Exchange; negotiation; financial anthropology; friction; non-western finance

1. The Heart of Indian Finance: Mumbai

Mumbai houses the two leading stock exchanges of India. Despite the fact that the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) are only 20 kilometres apart, upon visit they are strikingly different. The BSE is located on *Dalal Street* (literally translated as broker's street), in the Fort district. This district is the traditional business area of Mumbai, where one encounters crowded footpaths, dense traffic and a wide variety of road shops. The NSE, on the other hand, is located in a newly constructed business district, characterised by clean expansive roads, large glass office buildings and relatively few people out on the street. The BSE is over one century old, whereas the NSE is only two decades of age. The material surroundings seem to mirror the stark contrast between an old 'traditional' and new 'modern' stock exchange.

For over a century the BSE enjoyed an India-wide financial market monopoly (Shah & Thomas 2000; Varma 2001). Before economic liberalisation commenced in 1991, the BSE was an autonomous exchange run by an exclusive community primarily of Gujarati descent. After liberalisation, the government failed to regulate the BSE's practices in line with new liberal financial market principles (Echeverri-Gent 2007). The NSE and a regulatory institution were created, breaking the BSE's financial monopoly and regulatory autonomy. Yet despite these state interventions the BSE and its brokers are still active and relatively influential. How do BSE stockbrokers negotiate the transition to a globally exposed market? Or more broadly speaking, how is global finance negotiated locally in this non-western financial market?

The social studies of finance (SSF) have gained prominence in recent years – especially since the 2007 financial crisis, when finance became an important public and political matter (Hall 2010; Maurer 2012). Rather than approaching global finance as a purely technical phenomenon, the SSF literature has devoted substantial attention to mundane financial practices and the question of how global finance is enacted by way of repetitive social-cultural daily practices. However, most studies so far have been directed at privileged (western) global centres of finance, while non-western markets – often considered marginal from a western perspective – play a pivotal role in understanding how global finance is translated cross-culturally.

This article draws on first-hand empirical data on the Mumbai financial market. During a five-month inductive qualitative research project (2013–2014), I studied the present-day experiences and historical recollections of 'traditional' stockbrokers – those with generational firms and an emotional bond with the BSE. The *Phiroze Jeejeebhoy Towers* (see Figure 1) houses hundreds of traditional brokerage firms as well as BSE's governing body. Using the snowball method I gained access to more than 15 firms and various officials. I conducted tape-recorded semi-structured interviews as well as informal interviews, and in some cases I was able to conduct participant observations for days in a row, without disturbing stockbrokers *too* much.

Throughout the article I will develop the concept of negotiation. Building strongly on globalisation scholars such as Tsing (2005) and Appadurai (1996), the concept of negotiation tries to capture the ability of (non-western) local stockbrokers to engage global finance in creative and unique ways. The empirical sections, constituting the main part of the article, will be devoted to the analyses of three features of negotiation: the ways in which stockbrokers contest, reconcile and appropriate global finance.

2. Why Mumbai Matters

Finance, or 'making money with money' (Maurer 2012, p. 185), has expanded globally since the late 1980s, when what Thrift et al. (1987) call the 'new international financial system' enabled capital to spread with little restrictions.[1] The new system has either been perceived as a natural expansion of 'global best practices' (Echeverri-Gent 2004), or, on the contrary, as an unsustainable system (Harvey 2005) with detrimental effects on the real economy (Krippner 2005). The financial crisis of 2007 showed the latter argument to be more persuasive; complicated financial products caused financial markets worldwide to collapse (Blackburn 2008), affecting governments and the global real economy alike. As a result of political and public concerns, a thorough understanding of finance and its markets is imperative.

A growing strand of literature that approaches finance in innovative ways are the SSF (Maurer 2012). According to De Goede (2005a, p. xvii), the rise of 'modern monetary instruments was not a smooth or evolutionary process but a controversial, contingent, and ambiguous transformation, firmly rooted in cultural history'. By way of objectification, standardisation and quantification the financial sector has depoliticised and demoralised risk taking and created a speculative 'legitimate professional domain' (p. 85). Yet as Knorr Cetina (2012, p. 124) shows, a financial market is in fact 'an organized social form, complete with strong insider-outsider distinctions, membership criteria, potentially stable status hierarchies, and interiorized forms of monitoring and regulation'.

FIGURE 1
The *Phiroze Jeejeebhoy Towers*.

The SSF have emphasised these social-cultural dimensions of finance and financial markets. Knorr Cetina (2012) perceives the global market as 'microinstitutional', including various post-traditional global communities. Geographers like Hall (2010, p. 242), additionally, call for a closer understanding of the different heterogenic 'worlds' that constitute the financial sector. Hall states that:

> Geographical and historical specificity of different places (both nationally and sub-nationally) in terms of their regulatory principles and their culturally specific financial working practices […] reveal the variegated nature of financial markets, rather than supporting arguments that they will simply converge or diverge from essentialized (Anglo-American) market forms. … (2010, p. 240)

Because it is a non-western emerging financial market with a unique historical trajectory, an analysis of the Mumbai financial market can offer valuable insights in this context.

Several of the 'worlds' that Hall speaks of have been studied ethnographically. Following in the footsteps of economic anthropologists like Mauss (1922 [1990]), researchers have 'gone native' and explored local understandings of finance by way of participant observations. In a pioneering ethnography of Wall Street, Ho (2009) describes 'how … investment bankers actively *make markets* – that is, produce … Wall Street financial norms through their daily cultural practices' (p. 4). By studying situated but repetitive practices on Wall Street, Ho finds that a narrative about 'shareholder value' serves to legitimise investment banking. In Tokyo, Miyazaki (2003, p. 262) shows how foreign and local traders can 'know' and 'act' the financial market in different ways. As a result, the local traders' experience of work is determined by 'the intersecting temporal orientations of financial instruments, trading strategies, workplaces, and Japan's location vis-à-vis the United States that came together in traders' life choices' (p. 256). In other words, the active interference of foreign investors determines the nature of the local Japanese market.

In this article, I contribute to this strand of literature by examining finance locally in a non-western, non-core emerging market. As Maurer (2012) has shown, there exist various alternatives to western finance – for example Islamic finance. Furthermore, Siu (2010) illustrates that in China price movements in the commodities market are a result of collective actions by social groups – based on sociocultural network structures often found in Chinese gangs – rather than rational speculation. An analysis of the Mumbai financial market shows that despite rapid liberalisation, historical and cultural specificities play a major role in how financial practices take shape.

3. Negotiation

Global finance is often perceived as a force inevitably penetrating local cultural, economic and political situatedness, thereby pushing, in one way or another, financial homogenisation across the globe. Appadurai (1996, p. 37), in contrast, emphasises that global practices are not homogeneous because local situatedness determines how globalisation is experienced. In order to overcome the tension between homogenisation and heterogenisation, Appadurai (1996) proposes a framework consisting of five dimensions, or 'scapes', of peoples, goods, moneys, ideas and media. These scapes are fluid and irregular perspectival constructs depending on the situatedness of local actors (p. 33). By emphasising the unrestrained nature of the dimensions – especially regarding nation-state boundaries – Appadurai's framework helps to understand the way in which local experience can be 'deterritorialised' (p. 52).

Tsing (2005, p. 1), additionally argues that globalisation is enacted in material practical encounters which are accompanied by 'friction', which she defines as '… the awkward, unequal, unstable, and creative qualities of interconnection across difference' (p. 4). With respect to finance, Tsing argues that different perceptions of finance can spread through financial conjuring – calling up a 'dreamlike' world (p. 58) linking the global to the national and regional scales (p. 59). Financial conjuring travels and reshapes geographically distant locations far away from 'financial conjuring centers' (p. 59). Friction arises in places where the global and local connect, such as the Mumbai financial market, where global financial practices are negotiated locally by stockbrokers.

Building on the works of Tsing and Appadurai I develop the concept of negotiation to further conceptualise the way in which global processes take shape locally: on the level of the individual. Several scholars have engaged in studying the ways in which financial notions pervade to this level of the individual. By studying the '… making of the everyday investors of Anglo-American financialization', Langley (2007, p. 69) shows how these notions can become deeply ingrained in daily life, hereby shaping inherently contradictory investor identities. De Goede (2005b), furthermore, illustrates how local actors can challenge global financial power by questioning the rationality and scientific allure of finance by way of humour. Both Langley and De Goede offer ways to analyse how financial structural power relations are being enacted by local actors. Yet the traditional Mumbai stockbrokers are market 'makers' (Ho 2009), not resisting or conforming to global finance. They are what De Goede (2005a, pp. 81–84) calls 'professional risk-barriers', enacting the financial market and affirming its rationale and legitimacy through their repetitive daily practices (Ho 2009). In this light, the concept of negotiation serves to draw out the ability of (non-western) local stockbrokers to engage global finance in creative and unique ways, thereby translating and attributing alternative meanings to global finance.

Negotiation refers to three overlapping and converging modalities. The first, 'contestation', refers to the primary encounter between different notions of finance over distance and difference. What was the role of the BSE and its brokers in the 1991 transition? The second, 'reconciliation', implies that incommensurable notions become commensurable, while difference remains. How does the particular lived experience of finance of BSE stockbrokers coexist with global financial conjuring? The third, 'appropriation' (Scheider 2003), addresses the way in which BSE brokers have specifically utilised global finance.

4. Contestation

In an article about the politics surrounding the Mumbai financial market transition, Echeverri-Gent (2007, p. 330) describes how local stockbrokers in Mumbai 'resisted reforms promoted by the Ministry of Finance by claiming a monopoly over market expertise and articulating an anti-government regulation ideology'. Despite Echeverri-Gent's study being one of the most detailed descriptions of the Mumbai transition, the notion that brokers 'resisted' reforms evokes an image of an unstoppable global force that subjugates them to homogeneous practices. In contrast, by focusing on contestation this article looks at how brokers became part of a dynamic interplay between conflicting and often incommensurable notions of finance. The modality of contestation emphasises that the primary encounter between new notions of finance and existing ones is unstable and unequal due to the various interests that are pushed for by different stakeholders. In doing so, it perceives the transition as an unpredictable process –a process without a clear anticipated outcome.

As a result of their regulatory autonomy and financial monopoly BSE stockbrokers were market creators. Individual firms assessed the 'fundamentals' of companies – the present condition and future outlook – and launched new scripts – Initial Public Offerings (IPOs). The market results were published by the BSE, and since they were the leading exchange these were deemed closest to market 'truth'. Stockbrokers even literally possessed the market because they kept the bulk of physical shares in their offices, and when traded, the shares would commonly move to another broker in the same building.

They preserved their autonomy and monopoly on the basis of an exclusive membership system – certain communities and Indian regional ethnicities were favoured due to a referencing system (Shah & Thomas 2000, p. 18) –and interrelatedness. Still the brokers are interrelated. A broker named Ratan (68) sees himself as an 'outsider' because of his Parsi descent.[2] Ratan mentioned that:

> Most of the other brokers are very close to each other, I am a little isolated. Lot of the brokers are interrelated. Some of the sister's son is married with brother's daughter and this one is related to that one.

Also (institutional) investors and government officials were a part of the relatively small exclusive community (Shah & Thomas 2000, p. 18). The financial market was literally owned, regulated and constructed by BSE stockbrokers.

Two separate occurrences in the beginning of the 1990s triggered the government to intervene. First, there was the government's Balance of Payment crisis. Political and public consensus turned in favour of liberalisation, and the International Monetary Fund was asked for aid in exchange for liberalisation measures. Second, the Harshad Mehta scam – a $ 1.2 billion scam (Barua & Varma 1993) brought to light major fraudulent activities involving BSE brokers as well as banks. This scam was not an exception. Fraudulent activities such as the duplication of physical shares, the overpricing of investors and the collaborative manipulation of the market were common practice (Echeverri-Gent 2007, pp. 335–340; Thomas n.d., p. 8). These fraudulent activities served as a legitimate reason for the government to intervene (Rao et al. 1999, p. 626).

However, due to stockbrokers' financial monopoly, social exclusiveness and connections in the political as well as business realm, the government failed to regulate BSE's practices according to new liberal notions (Echeverri-Gent 2007). In order to break the monopoly, the Ministry of Finance erected the NSE in collaboration with the Industrial Development Bank of India (Echeverri-Gent 2007, p. 337). Due to the introduction of digital trading, the NSE rose up with such a speed that two influential Indian scholars compared the competition between the NSE and BSE to the biblical battle between David and Goliath (Shah & Thomas 2000). Many BSE brokers acquired NSE membership as well because its membership and transaction fees were much lower, therefore contributing greatly to its initial success.

Despite the fact that the BSE quickly lost its monopoly, its absolute volume grew almost five fold from 1994 to 1998 (SEBI 2005, p. 23). This growth can be attributed to the inflow of foreign capital by Foreign Institutional Investors (FIIs; Rao et al. 1999, p. 626). However, BSE's prolonged prominent position in the face of a government-backed exchange was mainly due to the fact that a traditional Indian financial product called *badla* was still in effect. Badla was a carry-forward product, enabling investors to pay only future price differences on 'borrowed' stocks (Eleswarapu & Krishnamurti 1995; Kulkarni 1997). The closely intertwined networks of investors and BSE brokers performed badla extensively. The NSE refused to permit the practice of badla, yet it did introduce a computerised form of badla, called Automatic Lending and Borrowing Mechanism (Echeverri-Gent 2007, p. 342). Despite the explicit objective to disregard traditional financial market practices, the NSE had to conform to some extent to badla in order to compete with the BSE.

In 2001 a second scam – the Ketan Parekh scam – caused another public outrage and triggered the Securities and Exchange Board of India (SEBI) to intervene directly into the operations of the BSE (Echeverri-Gent 2007, p. 346). According to a successful stockbroker called Uday (47):

> …the SEBI is in fact the real, what can you say, knife in the back of BSE. Cause they knew that if badla would continue then BSE will shortly have an upper hand. And that is why they made a reform style of badla, by way of 'futures' and 'options' [derivatives]. They give NSE the clearance, they did not give immediately BSE the clearance, and they stopped the badlas also, so BSE got a very hit.

In separate phases the BSE board was replaced by external directors, and the badla system was replaced by futures and options (F&O) derivatives.

As discussed, Tsing (2005) argues that friction arises in places where global financial conjuring connects to national and regional scales. The case of badla illustrates the unstable and unequal nature of this process, as well as its unpredictability. Like F&O, badla was a leverage product – there to pay only a future price difference – and like F&O, this product was used for speculation. A widely shared notion amongst BSE brokers, therefore, was that badla was not banned due to speculative risks, but instead to conform to FIIs' interests. A recently retired stockbroker named Shray (53) remembers the controversy clearly:

> This foreign people they could not understand our custom. They [the SEBI] only wanted FII, so they chose to shut down the badla system and start F&O. Actually, F&O is nothing else then speculation. It has not given the real picture of the market, and actually the badla system was.

The conflicting arguments encountered each other in the political realm. In 1998, the president of the BSE tried to prevent the ban by framing it as being against national interests. He stated that 'between the hedging demand of the FIIs and the interest of the nation, the latter is more important' (quoted in Echeverri-Gent 2007, p. 344). Today, too, different financial notions are being contested in the political realm. Goldman Sachs (2013) published a report in the run-up to the 2014 national elections called *Modi-Fying Our View*, referring to the leader of the economic liberal Hindu party, Narendra Modi. The normative nature of the report (see the title) led to enormous critique in newspapers from the rival party, Indian National Congress. In the *Economic Times* of 9 November 2013, Goldman Sachs stated in response that 'our report contains no political bias nor any political opinion.… It simply notes that investor sentiment is being influenced by party politics'. The cases of badla and Goldman Sachs illustrate how global financial conjuring can reshape geographically distant places, economically and politically, as well as the unpredictable and unequal nature of the transition. On 24 July 2001, brokers from all over India took to the streets to protest the ban. Yet without result: badla was banned.

At present, several traditional brokers whom I interviewed seem to experience what Miyazaki (2003, p. 260) calls 'temporal incongruity' which he roughly captures as the 'incongruity between the temporal orientation of the … workplace and the [liberalised] financial market'. In Mumbai, the market has become very volatile, fluctuating at an intense speed (Paliwal & Vashishtha 2012, p. 8). An old broker named Garv (67) exclaimed that extreme volatility:

> … is why we, traditionally brokers, don't like the new market. This is not a capital market, this is a royal casino.…If there were some major disasters we would understand, but there are not. There are all algorithms at work.

Even though traditional brokers do support liberalisation policies and capital inflows, they criticise the supposed influence of FIIs on the index – a topic causing heated debates in newspapers as well. On 11 November 2013, the *Economic Times* published an article titled 'SENSEX [the index] IS AT 16000. THE REST IS FII FLAB: FII-heavy stocks only drivers of market, rest of it is below 2008 levels'. In the words of one critical broker called Udeep (62) described by his colleagues as a pessimist – 'local savings should be encouraged coming into the market, rather than importing FIIs into the country. Because we have no control in them. They come like a hurricane and they go like a hurricane'. In contrast, brokers as well as domestic institutional investors hardly invest overseas (e.g. none of my informants). The current Indian financial market, consequently, is inherently asymmetrical and, globally speaking, unequal: foreign funds flow in and out, pushing the market up and down, while local capital hardly transcends the national border (see for example Nagarajan et al. 2011, pp. 4–5).

The financial market of Mumbai has changed greatly since its liberalisation. By focusing on contestation – understood as the first modality of negotiation – it becomes possible to see more clearly how the conflicting and often incompatible interests pushed for by different agents take shape: from BSE brokers acquiring NSE membership, to the NSE offering badla; from unstable political confrontations, to unequal competition; and from an asymmetrical market, to scams, high volatility and unpredictable foreign capital flows. In sum, the market entails awkward and unequal interconnections across distance and difference (Tsing 2005). As a consequence, a temporal incongruous experience amongst traditional stockbrokers such as Garv and Udeep persists. The current shape of the market, however, is not a consequence of a anticipated logical sequence of events. Nor is it stable or uniform. Different notions still coexist, yet they are acknowledged as such.

5. Reconciliation

> Initially we [brokers] got a notice from the stock exchange that stock exchanges going to be digitalised. We were shocked! What is this, how it can be? And we were not aware of computer at all. In the early nineties, we were not aware of that. (Bisher, 61)

This section elaborates on the ways in which brokers reconcile global financial change and new practices and instruments with pre-existing ones. Tsing refers to the 'process of generalisation' (Tsing 2005, pp. 88–89) to describe how differences are made compatible, and explicates it eloquently in a metaphor: 'As long as facts are apples and oranges, one cannot generalize across them; one must first see them as "fruit" to make general claims' (p. 89). On the one hand, traditional brokers acquire new skills in order to trade. Yet on the other hand, the altered trading experiences are embedded in the local context, in what Appadurai (1996) describes as '… the nature of locality as a lived experience in a globalized world' (p. 52). The modality of reconciliation helps to understand how incommensurable notions become commensurable, while difference persists.

Before liberalisation, a number of daily repetitive cultural practices (Ho 2009, p. 4) served to preserve the exclusive nature of the BSE. For instance, the manner in which brokers dressed – a dhoti and gandhi-cap (see Figure 2) – served as important symbolic signifier of their exclusiveness as well as inclusiveness. Ratan, the self-proclaimed Parsi 'outsider', mentioned that:

I was brought up in a very westernised family. As soon as I was 18 my dad gave me a suit and I just have this habit of wearing a suit, it was just habit. When I came in here, there was not a single broker who ever worn a suit. There was only one broker who wore a tie; and that was me. And I could hear people talking in the corridors: 'who is this guy, what is he doing in our stock exchange, he is a total fish out of water'.

Ratan also indicated that language served as an exclusive practice,

I came in with a lot of optimism. I came in thinking, you know, I'm smart, I'm very close to being brilliant, I can manage this [sarcasm]. And in fact I found it so bloody difficult.… One is that when I came in 1982 everything was in Gujarati.…I just couldn't, I couldn't manage it. Fortunately I had a manager; she had been the manager for the old broker. …. Now she could read Gujarati, so she literally ran the show.

FIGURE 2
Dhoti and Gandhi-cap.

Gujarati still is an important language at the BSE, and some brokers still wear dhotis and Gandhi-caps, but in general these practices, amongst many others, have altered. The dress-code is quite informal, without a tie and jacket. All brokers speak English – although with varying proficiency, as the quotes in this article illustrate – and most brokers are acquainted with English market terminology like million, billion and trillion, and derivative terms such as put and call. In addition to their regular television and newspaper news consumption, brokers use social media – Facebook and WhatsApp– and the Internet. Many brokers are a member of the BSE as well as NSE, and they trade in all kinds of financial products: equity, futures, options, currency derivatives, etcetera. Furthermore, because trading hours have changed in order to synchronise or overlap with global markets – from 09:00 to 16:00 – and stock trading has turned digital, brokers spend most of their time on a chair in front of the computer.

Liberal terminology, furthermore, is not only used by newspapers, policy papers and on television, but also by traditional stockbrokers. An influential report in India called *Making Mumbai an International Financial Centre* (Mistry 2007) postulates a neoliberal view of the market that in general corresponds with traditional brokers' perspectives. Traditional brokers, additionally, do not perceive the NSE as a ruthless competitor, but instead as the cradle of modern financial market practices. They talk about the NSE in terms of an 'efficient', 'transparent' and 'innovative' exchange, which is 'professionally managed'.

Even though the altered practices and liberal notions seem to illustrate the willingness of traditional brokers to adapt to 'homogeneous' global finance, traditional brokers' lived experiences of these practices and their understandings of liberal notions depend on the nature of locality, on the situatedness of local actors (Appadurai 1996, p. 39). To be clear, I am not suggesting that we can find cultural practice and specific lived experiences in non-Western markets only. As Ho (2009) and Riles (2011), amongst others, have shown, 'finance' is always made up of local, situated practice. The fact that liberal terminology and global practices may still go hand-in-hand with differences and conflicting meanings does not only apply to the Mumbai financial market.

The prime reason why global financial conjuring appeals to traditional stockbrokers is embedded in the local experience of living in an economically developing country, where economic underdevelopment – not cultural, as my informants repeatedly mentioned – is an inherent part of daily life. Mumbai is an overcrowded, polluted, extremely hot, corrupt, culturally plural metropolis in India, radically different from financial markets such as London and New York. This city determines to a great extent stockbrokers' everyday experience. They deal with corruption and see extreme poverty daily, they constantly smell the sewer and traffic fumes, and especially the older brokers detest the current high population density.[3] Langley (2007, p. 70) has argued that in the USA neoliberalism promises to bring 'freedom' and 'security'. This kind of appeal of finance differs radically from what I encountered in India. With respect to traditional brokers, the shift to liberalisation was seen as 'progressive', in turn bringing 'modernisation' and economic 'development'.

Global market information, too, is understood in a specific manner. Market information – that is, news expected to influence the index – is to a large extent constructed by a unique set of 'global themes'. At the time of research, global themes such as the European crisis, liberalisation of China, US/Iran peace talks and the quantitative easing programme by the Federal Reserve – printing money to stimulate the economy – were leading market indicators. The local lived experience of the global market, therefore, has become deterritorialised (Appadurai 1996). Yet these global themes are inherently local; they comprise a unique combination of global themes which I expect to differ in other financial markets, in content as well as composition.

In Mumbai, additionally, market information is in part constructed by the way in which foreign investors might trade locally – similar to what Miyazaki (2003) describes in Tokyo. Traditional brokers monitor the quantitative easing programme closely not because of its effect on the Indian economy, but because of the way in which FIIs could potentially react. A broker called Oojam (24) –who joined his father's firm only one year ago – was well aware of the influence of FIIs. As he described:

> Oojam: You have to look at one week previous history and what are the FIIs.… doing. Let's say suppose FIIs are selling, …you conclude that there is going to be something of negative news that's why they are selling because they have more knowledge than us. That's why they are handling thousands of *crores* [=10 million]. …
>
> *So you're following actually in the footpath of FIIs then?*
>
> Oojam: Yea you have to, because they are big players, they are huge players and they have got maximum money. So if they are buying, it's obviously a good position of time. So we see ourselves on the right track. And if they are selling we need to be a bit cautious buying new stuff. We reduce the quantity. No matter [if] we have got the news, we reduce the quantity.

Since many brokers base their investments and investor recommendations on the basis of FII behaviour, the market index is prone to follow that direction in the future. As a result these trading practices enable a self-fulfilling prophecy. For example, the above-mentioned report *Modi-Fying Our View* by Goldman Sachs (2013) turned out to be correct. When on 16 May 2014, Modi was elected prime minister more foreign funds came into the market, stimulating the index to reach new highs and brokers and investors to invest.[4]

Unrestricted by time or space, traditional brokers repetitively re-articulate 'global' market information – based on the specific local market features – right from their chair in front of the screen. Udeep, the 'pessimistic' broker, described this new trading experience quite positively:

> We are in our room nicely comfortable. You can eat and do the business, you can listen to the radio and do the business, you can see the TV and do the business. Earlier it was not like that. Hit the people, grab them, try to push through your trades, those things. It was a very cruel method of doing it.

On Wall Street, Ho (2009, pp. 87–99) found that investment bankers reinforce a culture of hard work, where competitiveness and job insecurity enable a fierce working ethic. American as well as Indian stockbrokers deal in financial products commonly perceived homogeneous throughout the world. However, the lived experiences described by Ho and Udeep appear to be worlds apart.

The modality reconciliation illustrates how incommensurable notions become commensurable, while difference remains. Local situatedness helps to understand how ambiguous perceptions between losing the financial monopoly on the one hand can coexist with faith in the liberal doctrine by which they lost this monopoly on the other.

The liberalised financial market of Mumbai comprises a unique set of global themes – which most likely differ from other financial markets in content as well as composition – and FIIs are an integral part of the local market. Hence, Mumbai market features nor traditional brokers are adapting to global forces: rather, global finance itself entails a plethora of unique markets and local deterritorialised experiences.

6. Appropriation

> In fact, the investors are more from my grandfather's clients. So old time investors their sons dealt with my father, and their grandsons and granddaughters are dealing with me. It's like a cross generations. And then again, word by mouth. They have friends, relatives who sort of said they need a good broker. … Our company has never done any formal marketing or advertising. … Because we believe that stock broking is a very personalised business. (Hameer, 44)

Appropriation – the third modality of negotiation – takes into account that financial practices do not diffuse globally in a uniform manner, but are instead utilised locally in a specific way. With respect to finance in India, Echeverri-Gent (2007, p. 348) argues that 'in a matter of ten years, India transformed the settlement system from one of the most archaic in the world to one that sits on the frontier of global best practices'. In examining the concept of appropriation, however, Schneider (2003, p. 225) states that human creativity '… continuously recomposes, realigns and rejoins old elements, while slightly altering them to create new forms, sometimes in almost endless variations on one form'. Appropriation turns away from the notion that homogeneous 'global best practices' prevail, or even exist at all. Financial practices bearing the same name are not implemented according to a blueprint around the world. On Dalal Street, traditional brokers have to a great extent and with a great deal of effort mastered new practices. Practices that are global in name, yet utilised locally in a creative and specific way.

In April 2014 BSE's turnover amounted to around 66 billion dollars.[5] A relatively small amount compared to the NSE, only a quarter, but in absolute figures an enormously increased amount, 10 times higher compared to its turnover in 1992/1993 (SEBI 2005, p. 23). For this reason the BSE has managed to still be perceived as a leading exchange on the sub-continent, not only by brokers but also by popular media. Because of its specific historical trajectory, newspapers often refer to Dalal Street as a synonym for the Indian financial market; e.g. 'D-Street keenly watching if FII and rupee trends are here to stay' (*Business Standard*, December 23, 2013). Traditional brokers exploit this popular representation of the BSE. Without being asked, brokers seized every opportunity to explain the historical trajectory of the BSE and their generational trading experience. A sub-broker named Linith – routing his trades through a main broker on behalf of his own investors – exclaimed that 'it has a branding, … and the whole industry agrees and not just me'.

Despite the fact that traditional brokers have a historical emotional bond with the BSE and often present themselves as BSE brokers, they are excluded from the BSE management and hence distinct small businesses. As a result the exchange and 'its' brokers are pursuing different interests. In order to attract foreign as well as domestic institutional investors, the exchange implements all kinds of new financial products in collaboration with the Deutsche Börse Group, used only by the exceptional traditional broker. Traditional brokers deal primarily in equity trading (plain stocks) for retail investors (individual investors with private funds). The retail segment, however, is declining due to a diminishing amount of active individual investors.

The exodus of investors, as some newspapers call it, has more influence on traditional firms than the changed financial practices and increased competition combined. Popular media, traditional brokers and several employees of mutual funds that I spoke with suggest that investors find the market too volatile and unpredictable to invest in. On 28 September 2013, for example, the *Economic Times* published an article titled 'Volatility Singes Investors on Uncertain Street'. Instead of cancelling their trading accounts investors often stop trading, causing brokers to have several thousands of investors registered while only several hundred are in fact active.

Yet besides traditional brokers, new competitors are being affected by the declining amount of retail investors as well. At the time of research two large brokerage firms – HSBC and India Infoline – closed their retail branches, as well as the oldest FII mutual fund in India, Morgan Stanley. Katrina (35) –an European employee of a co-operative Indian/European mutual fund – informed me that they, too, are unable to access local funds, according to her a problem encountered by many expat colleagues working in the financial sector of Mumbai.

Whereas new competitors such as foreign institutions engage investors in a formal manner – buyer and seller relationships – brokers deal with investors through extended informal networks. As Siu (2010) describes in China, informal networks still play an important role in the market – albeit in a different form. Traditional brokers still play an essential role in the market exactly because of these networks, by which they are able to reach local investors and thus local funds. The networks entail intense interaction between (sub)brokers, and between individual (sub)brokers and investors. A network is often based on ethnic or religious affiliations, and new investors are commonly recruited only on the basis of references from old ones. In the words of Udeep, the pessimist who is often quite optimistic:

> We don't deal with the strangers. I don't. If somebody calls me, …I say come and meet me first. Normally people approach you out of reference. My old costumers they will refer somebody. … Because whatever I may do, I am giving some credits to them. He tells me something to buy and if he doesn't make payment then I am in the soup. So we don't take person from the street.

As a result of the reference system it takes a firm decades, or generations, to develop a network of thousands of investors. Due to the 'personalised' services, as Hameer calls it, in combination with social elements these networks are closely interwoven. Traditional brokers have various means of sustaining their networks. In front of the Phiroze Jeejeebhoy Towers, brokers gather all day round in front of an enormous screen – displaying financial market news – to talk about the market. When they are in their offices, they constantly 'App' or call other (sub)brokers or investors, or they meet them personally. Furthermore, traditional brokers often travel together by train, meet at social events, visit investors outside office hours and many brokers have joined several WhatsApp groups. These WhatsApp groups have an informal character in the sense that humour, politics and holiday plans, to name just a few topics, play a prominent role (see Figure 3 for a compilation of photographs). In addition to reinforcing social ties, these groups primarily serve to disseminate market information. A propriety broker – investing mainly his own money – named Raivath (40) perceived WhatsApp as one of the most important media, as became apparent during an interview:

> Now WhatsApp has become a very strong medium, as far as flow of news and all these kinds of things. Everybody has a group whom they trust. If I have certain news and all, I share it with the group, if somebody else has, he shares it with the group.…There will be thousands of those groups, you know?. … So jokes are going on, and, because see, you have been sitting here for last one hour, did you see me working? Not once I got up there [the computer].

Indeed I had not seen him working on the computer. Nevertheless, the interview was repeatedly disrupted by phone calls, or by him being distracted by whatever happened on his phone. My phone too was buzzing all day. In the morning brokers send each other summaries of newspapers or television news (one never knows the origin since information is 're-apped'), and during the day news comes from various media or external advisory companies to which some brokers are subscribed (also 'apping'). Investors who work in a specific economic sector also share information with brokers, and brokers share information with them.

Traditional brokers have become information handlers in the sense that through their networks they gather and spread market information. Due to current technology, share trading takes a matter of seconds and happens primarily at the beginning or end of the day. Instead, they asses primary information from media such as newspapers, Internet websites and television – which can be found in every office – after which they intermediate and disseminate this information through their networks of (sub)brokers and investors, collectively re-articulating the subjective 'mood' of the market.

With respect to the retail segment traditional brokers have an advantage due to their networks, in contrast to new competitors such as foreign investors and mutual funds. Because of their socially interwoven networks many brokers are able to subsist in the market, even while investors retract. A few of my informants are having a difficult time coping, yet most have a stable clientele, or in the exceptional case, a slowly growing clientele. Some brokers claim that investors who turned to bank trading are returning, and a number of traditional firms are actively re-establishing relations with investors who have previously stopped trading. Since they have enormous passive databases of potential investments, they can expand their operations the moment the retail market grows. Bisher stated that:

> Retail investors need confidence in the market. Investors have got money. I tell you, there are so many clients of mine waiting to stabilise the market. But they don't, you see, after all confidence cannot be enforced. It has to gain from within, … that I am confident about the future of the market. … You cannot by only giving a statement by prime minister. Nobody would go by the statement.

Since Modi's election, a number of newspapers have corroborated the notion that brokerage firms are attracting more active retail investors.[6]

Traditional networks also prove to be valuable with respect to other practices than equity trading. Katrina from the mutual fund, for example, was agitated about the role of traditional brokers in their operations. Since mutual funds do not have networks they employ amongst others traditional brokers in order to recruit clients, who work for a commission. Uday's office window inside the BSE building displayed the name of a large

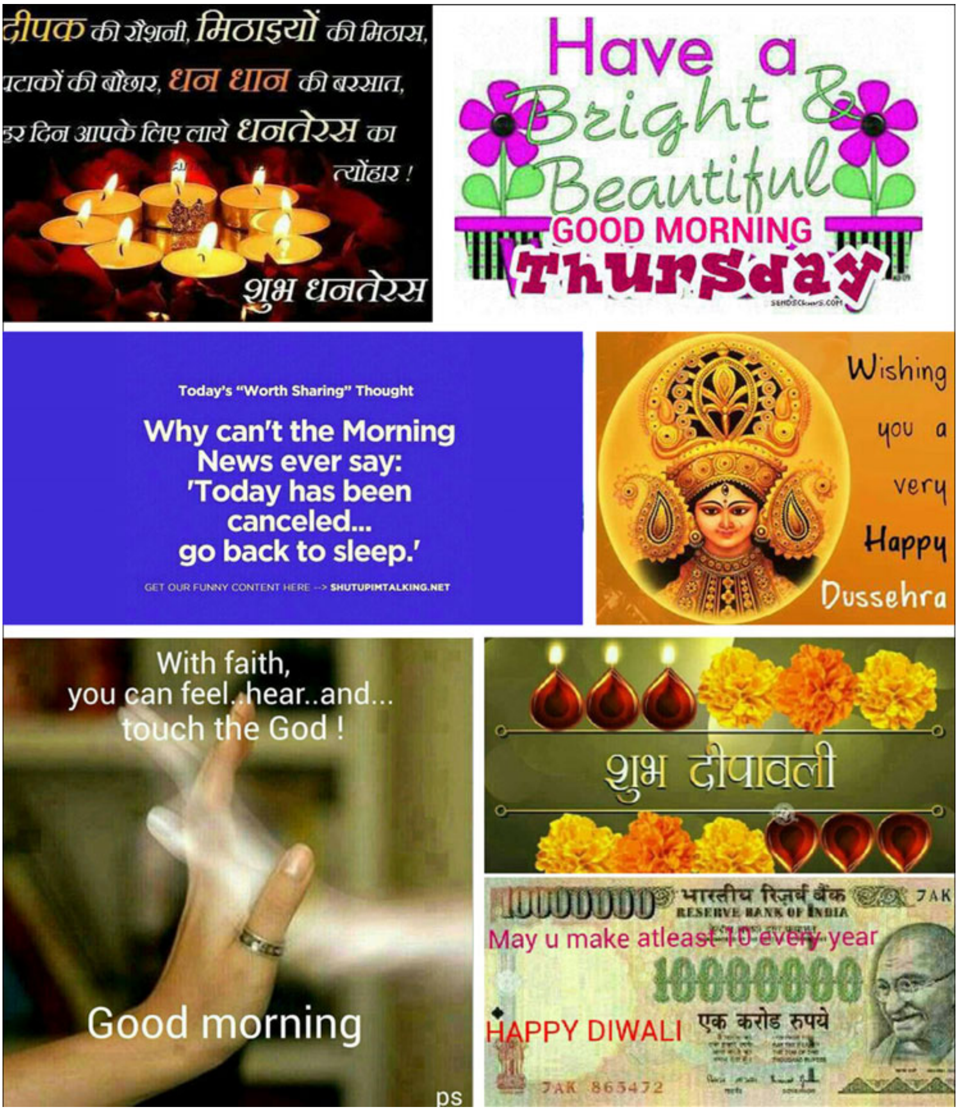

FIGURE 3
Compilation of photos from a brokers WhatsApp group.

mutual fund in India, and on his desk stood all kinds of ‘gifts’ from other (foreign) mutual funds that opt to receive clients through his networks. The traditional brokers, so Katrina said, were one of the prime reasons that her fund’s profits were less than anticipated before it entered the market. In this case the traditional local brokers determine the way in which a global financial institution has to operate.

Even though traditional brokers have lost investors and are experiencing difficult times, they still play an essential role in the market. They possess social networks sustained over generations, enabling them to access local funds. They are acquainted with local terminology and language. They occupy an essential position as information handlers.

They have the brand name. They are, in sum, embedded in Mumbai's global financial market and utilise global finance in a specific manner, thereby ensuring market subsistence as well as leaving the door open for future opportunities.

7. Conclusion

The BSE and 'its' traditional brokers are not a relic from a past financial market. This article has shown that the role of traditional brokers in the market has shifted from market creator to information handler, with brokers intermediating information and re-articulating the collective subjective market mood through their networks. Global financial practices did not diffuse to India without changing meaning and, essentially, changing in the way they function. The financial market has been liberalised, yet the local market dynamics are unique. Traditional brokers' lived experience has changed and has become deterritorialised, yet not in the same manner as for example on Wall Street. They have acquired the skills necessary to trade in new 'global' practices, yet utilise these in a specific manner. The case of the BSE illustrates that despite rapid liberalisation measures, historical and cultural specificities on the local level determine how financial actors 'make markets' (Ho 2009, 4).

By combining the insights from the SSF and globalisation literature this article has aimed at analysing global finance and local change in the non-western, non-core emerging Mumbai financial market. The concept of negotiation is useful for drawing out the ability of (non-western) local stockbrokers to engage finance in creative and unique ways, without categorising their position to either one of resisting or adapting. The three modalities of negotiation are by no means static linear processes that lead to a predictable, logical or foreseeable outcome, but rather overlap and converge in time and space. It would be interesting to analyse more non-western, non-core emerging markets such as those of other BRICS countries, in order to gain more insight on their ways of engaging global finance locally.[7]

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NOTES

1. See Maurer's (2012) book chapter titled 'Finance 2.0' for an elaborate definition of finance.

2. Out of privacy considerations the names of my informants are pseudonyms.
3. On a personal note I have to acknowledge that Mumbai is also a most enthralling, dynamic and lively city.
4. http://www.livemint.com/Money/ddQkjpfWQRetDkFdJOhSkJ/Retail-investors-return-to-markets.html (accessed 6 June 2014).
5. See http://www.moneycontrol.com/stocks/marketstats/turnover/ (accessed 15 June 2014).
6. See for example Note 4 and http://indianexpress.com/article/business/market/retail-investors-make-guarded-comeback-on-renewed-confidence/2/ (accessed 3 August 2014) and http://www.livemint.com/Money/hJxM0Nz4wrmFCGl1LNtwLP/Retail-investors-buy-most-shares-in-four-years.html (accessed 3 February 2015).
7. The BRICS countries include Brazil, Russia, India, China and South Africa.

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