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Du Xiaotong

**Sociocultural factors of interaction of economic agents in the Chinese Stock
Market: sociological analysis**

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Petrov Aleksandr Viktorovich

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INTRODUCTION

The sociology of stock markets in economic sociology is one of the interesting and relevant areas of research. However, for a long time, the stock market, as an important part of modern economic life, was not a separate object of research in sociology and economic sociology, but was an object of research only in economic science. Historically, the stock market became the object of research in sociological science in the 1980s as one of the areas of research in the new economic sociology and sociology of finance.

As such, the market was originally a place where people gathered and exchanged goods for many centuries and millennia. In the modern world, ideas about the market have expanded significantly, complex financial institutions and stock market structures are becoming more widespread, and, at the same time, fundamentally new online tools in the stock market have appeared and are actively spreading. From an economic point of view, the stock market is a financial market system, thanks to which participants - economic agents (retail investors and organizations) carry out transactions with securities in order to obtain benefits - profits. However, this dissertation research aims to conduct a more in-depth study of the market, including a comprehensive analysis of sociocultural factors influencing the social processes occurring in the stock market.

Relevance of the research is due to the fact that today stock markets have rapidly spread in different countries in connection with global economic processes. Global transformations in the field of finance have made relations between stock markets of different countries closer, and financial processes occurring in some countries inevitably affect other countries. But each country also has its own socio-economic specifics of the development of the stock market, which requires a comprehensive analysis. Not only authorities, companies, businessmen, but also ordinary people of different social groups are interested in finance and stock markets, as an important factor in socio-economic development, for example, with the goal of becoming retail investors. The questions of how stock markets develop,

what influences their successful functioning and the interaction of various participants, whether it is possible to identify general trends in their development, whether there are differences in different countries and societies, and what influences the behavior of people and companies operating in the stock market are becoming relevant. For a long time, the stock market was the object of research only by economic science, which prioritizes the analysis of a single market mechanism of supply and demand. However, various economically unjustified changes in the stock market and investor behavior indicate that there are other, hidden factors of a non-economic nature that influence stock markets, determining the features of their functioning and development.

The dissertation research carried out a comprehensive analysis of such hidden factors of a non-economic nature from the perspective of economic sociology and sociology of finance. However, research into non-economic factors and socio-cultural factors of interaction in the Chinese stock market is relevant not only for China, but also for Russia. Firstly, in Russia, as in China, the stock market is actively developing, more and more retail investors are appearing, so China's experience could be very useful to Russia. Secondly, the results of this dissertation research could be used for the development of Russian research in the field of sociology of the stock market, especially the results of the analysis of sociocultural factors of its development, since they reflect the specifics of the functioning and development of the stock market. Thirdly, in Russia, as in China, economic sociology is a developing branch of modern sociology, which is why interdisciplinary and cross-country studies of various socio-economic phenomena, including the development of the stock market, can be very useful for Russian economic sociology. All these factors also determine the relevance of the dissertation research topic.

The degree of development of the topic. The stock market originated at the beginning of the 17th century in Amsterdam, Holland, but became widespread throughout the world only in the 20th century as a result of long-term global economic transformations. For a long time, researchers were interested in the

development of the stock market only within the framework of economic science. Sociologists began to turn to the study of the phenomenon of the formation and development of the stock market at the beginning of the 20th century. However, despite previous research, the stock market still remains an understudied topic in sociology.

In sociology and economic sociology there are different views on this research topic. Thus, M. Weber considered the market from the point of view of the theory of social action, the market as a social institution was studied by E. Durheim, and T. Parsons and N. Smelser considered the market as a social system. G. Simmel directly drew attention to the need to study the monetary culture of modern capitalist society. From the point of view of the network approach, the market was studied by M. Grannoveter, R. Burt, W. Baker, W. Powell, D. Stark, B. Uzzi, the new institutional approach was used by O. Williamson and D. North, and the sociocultural approach can be found in the works V. Zelizer, P. DiMaggio, M. Abolafia, K. Knorr-Cetina.

Among Russian sociologists, research interest in the formation and development of the sociology of markets and the sociology of finance can be noted, for example, in the classic of Russian economic sociology S.N. Bulgakov, as well as in modern researchers Yu.V. Veselova, A.V. Petrova, A.A. Smelova, V.V. Radaev, D. Strebkov and others.

The specifics of the development of the stock markets in China are covered in the works of such scientists as Yo Pingue (饶品贵), Zhao Longkai (赵龙凯), Yue Heng (岳衡), Zhang Ying (战颖), Gao Mian (高緬), Hutsui Pan (厚崔盼), Teng Siqu (滕思齐), Wang Mengjiao (王梦娇), Zhang Ni (张霓), Zhang Pingping (张平平), etc.

The influence of global economic processes on the development of markets was studied by D. Rodrik, W. Beck, J. Ritzer, among Chinese scientists - Yang Xuegong (杨学功), Yang Dian (杨典), Ouyang Xuanyu (欧阳轩宇), Huang Ping

(黄斌), Li Qize (李启泽), Cai Tuo (蔡拓), Ma Guoqing (麻国庆), Sun Guoqiang (孙国强), Sun Li (孙立) and many others.

The results of scientific research by these scientists are used in this dissertation research.

The object of the dissertation research is social communications of economic agents in the Chinese stock market.

The subject of the dissertation research is sociocultural factors influencing the development of social communications on the stock market in China.

Goals and objectives of the dissertation research. The purpose of the study is to analyze the sociocultural factors influencing the development of the stock market, the specific influence of these factors on the development of the Chinese stock market. Based on the goals, this dissertation research has the following tasks:

1. Analyze theoretical and methodological approaches in economic science and sociology to the study of stock markets;
2. Identify sociocultural factors influencing communications in the Chinese stock market;
3. Investigate the impact of global economic transformation processes on the features of the development of the stock market in China;
4. Analyze the features of the socio-historical periods of the formation of the stock market in China;
5. Carry out a comprehensive economic and sociological analysis of sociocultural factors influencing the communications of participants in the Chinese stock market.

The hypothesis of this work is that sociocultural factors have a significant impact on the communications of economic agents on the stock market in China, turning economic, rational actions in this market into value-rational ones.

The theoretical and methodological basis of the dissertation research was made up of the works of Chinese, Western and Russian scientists who studied the

problems of the formation and development of the stock market from the point of view of sociology and economic sociology.

The dissertation is also based on a comprehensive study based on quantitative and qualitative analysis. Qualitative analysis is embodied in integration and synthesis, induction and deduction. It allows you to deepen and expand your understanding of the existing socio-cultural factors in the functioning and development of the stock market, taking into account Chinese specifics. Quantitative analysis allows us to establish relationships and correlations between indicators of the influence of sociocultural factors and the dynamics of economic activity in the stock market of modern China.

From a theoretical point of view, the key approaches to the study are cultural, socio-historical and economic-sociological approaches. A feature of the theoretical and methodological approach of dissertation research is also its interdisciplinary nature.

The methods of empirical research are:

- Expert interviews with representatives of the stock market in China (12 experts, professional stock market participants, experienced managers and employees in stock companies).
- An online questionnaire survey of stock market investors in China, correlation analysis in SPSS (725 people, online platform "Questionnaire Star").
- Content analysis of interactive messages from investors in China (10,000 messages in the Tonghaushuna application).

The information base of the research was the financial and statistical materials of the China Clearing Corporation, the Shanghai Stock Exchange and the Shenzhen Stock Exchange, as well as materials from a questionnaire survey of investors in the Chinese stock market and expert interviews taken as part of the author's empirical sociological research on this topic.

Compliance of the dissertation research topic with the requirements of the Specialty Passport of the Higher Attestation Commission. The dissertation research was carried out within the framework of specialty 5.4.2 - economic

sociology and corresponds to the following points of the passport of this specialty: 5. Socio-economic groups, structures and institutions; 6. Economic behavior; 10. Social content and conditions of economic activity; 23. Financial and monetary behavior of the population.

Theoretical and practical novelty and significance of the dissertation research.

The theoretical novelty and significance of this dissertation research for economic sociology and sociology of finance lies in the formation of an economic-sociological approach to the study of the influence of general and specific sociocultural factors on the development of the Chinese stock market, as well as in the development of the theoretical and methodological foundations of sociocultural research within the framework of the development of stock market sociology in China and the possibility of using them for similar studies in Russia.

Practical novelty and significance are presented by recommendations for government agencies regulating the stock market in China, formulated taking into account the results of a study of the influence of sociocultural factors on the behavior of participants in the Chinese stock market, and aimed at improving the efficiency of investors and the market as a whole. Some of the recommendations can also be used to regulate the stock market in Russia. The theoretical and practical results of the dissertation research can be used for lecture courses for Russian and Chinese universities: “Economic Sociology”, “Sociology of Finance”, “Sociology of the Stock Market”, and can also be the basis for a separate course of lectures devoted to research into sociocultural factors of interaction in Chinese and Russian stock markets.

Approbation of the results of the dissertation research. The results of the dissertation research were presented at various scientific, including Russian-Chinese conferences and published in three articles in journals recommended by the Higher Attestation Commission of the Ministry of Education and Science of the Russian Federation for publishing the results of candidate dissertations, as well as in two articles in other publications.

The structure of the research is determined by the purpose, objectives and logic of the study. The dissertation consists of an introduction, two chapters consisting of 8 paragraphs, a conclusion, a list of references (includes 108 sources in Chinese, Russian and English), and appendices.

The main scientific results consist in an economic and sociological analysis of the impact of sociocultural factors on the development of the Chinese stock market and are specified in the following provisions:

1. For a long time, the stock market, including in China, has been primarily the object of economic research. But economic science is focused on viewing stock market participants impersonally, without taking into account the influence of norms, values, and irrational social attitudes on the motivation of their economic activity. The potential of sociological science lies in a broader approach to the study of the motivation of stock market participants, taking into account non-economic factors that determine the operation of modern stock markets. The comprehensive economic and sociological analysis undertaken in the dissertation research (based on the integration of quantitative and qualitative approaches) of sociocultural factors influencing the development of the Chinese stock market made it possible to analyze and understand the social motivation and behavioral characteristics of participants in the modern Chinese stock market¹. Which also contributes to the formation and development of such a new branch of modern economic sociology in China as *the sociology of stock market*. The results of the dissertation research also contribute to the development of this branch of economic sociology in Russia;

2. Taking into account the peculiarities of the history of its formation, it should be noted that the modern Chinese stock market is the result of the influence of processes of long-term global economic transformation and the local reaction of the Chinese economy to these processes. The results of the study showed that the Chinese stock market, using universal financial instruments of the global

¹ Du Xiaotong. Economic and sociological studies of stock markets in China and Russia: theoretical and methodological foundations // Society: sociology, psychology, pedagogy. 2022. No. 12. P. 97.

market, was able to adapt them to the Chinese socio-institutional environment and create an innovative financial culture. The results of the study also showed that at present, economic agents of the Chinese stock market, being under the constant direct influence of the world situation in the development of the global financial market, still experience a significant influence of Chinese culture on their activities, namely: traditions and customs, moral and ethical standards, religious views, as well as a specific socio-institutional environment;

3. One of the most important sociocultural factors in the development of the modern stock market in China is the relationship of trust. The results of the study showed that Chinese stock market participants prefer trusting relationships with clients or colleagues, and this trust is based on the traditional norms and values of Chinese Confucian culture. Most of the experts surveyed note that traditional relationships of trust in the Chinese stock market are the key point that determines the relationship between stock market participants². Such trust relationships are built on the basis of general sociocultural norms and values, as well as traditions, habits, and customs that set patterns of economic behavior in the stock market and determine the social motivation of stock market participants;

4. Traditional Chinese culture (manifested in the priority of Confucian values, belief in “lucky numbers”, the Chinese calendar, Chinese cultural symbols and customs, etc.) has a significant impact on the behavior of investors in the stock market. According to the results of the questionnaire, two groups of investors are distinguished - with a “long-term strategy” with an orientation towards wisdom and caution (which is determined by the Chinese Confucian views on economic activity: patience is the basis of success) and “short-term tactics” of risky investments with an orientation also towards faith in traditional Chinese values. Both groups appeal to Chinese sociocultural specifics in shaping the motivation for economic behavior. The study also showed that those who receive “quick

² Du Xiaotong. Features and stages of formation of the stock market in China // Society. Wednesday. Development. 2023. No. 3. P. 15.

money” are more satisfied with the results of their economic activity, but while focusing on traditional Chinese values³.

5. The hypothesis about the value-rational nature of the actions of participants in the Chinese stock market was partially confirmed. In addition to purely rational economic factors, such as economic conditions, economic cycles, economic feasibility, values, traditions, customs, moral and ethical standards, and religious views of stock market participants are of great importance in motivating economic activity. They influence both the pricing process in the securities market and the behavior of investors in general. The results of interviews with experts and a questionnaire survey showed that the sociological understanding of the rationality of actions in the stock market is very different from the understanding of rationality in traditional economics. The understanding of rationality is relative, and there is no standard and universal understanding of it, especially in assessing the motivation of economic activity in the stock market. For example, the study showed that two groups of investors (with a “long-term strategy” and “short-term tactics” of behavior in the stock market) are guided in their economic activities by different types of rationality, but in accordance with previously acquired sociocultural experience. Thus, the socio-institutional environment of economic activity, manifested primarily in the influence of sociocultural factors, largely determines communications in the modern Chinese stock market. The results of the undertaken research can also be used to study the sociocultural specifics of communications of economic agents on the Russian stock market.

Provisions submitted for protection:

1. Based on a comprehensive economic and sociological analysis based on the integration of quantitative and qualitative approaches, the sociocultural factors influencing the development of the stock market in China are comprehensively analyzed. The results of the economic and sociological analysis not only made it possible to analyze and understand the social motivation and behavioral

³ Du Xiaotong. Development of the Chinese stock market in the light of modern studies of the problems and contradictions of economic globalization // Society. Wednesday. Development. 2023. No. 2. P. 24.

characteristics of participants in the modern Chinese stock market, but also to form a methodological basis for the sociocultural approach in the sociology of the stock market, which consists in the priority of analyzing sociocultural factors that influence the characteristics of the social motivation of behavior of stock market participants China market. This approach is also applicable in the sociology of the Russian stock market;

2. The results of the economic and sociological study showed that at present, participants in the Chinese stock market and the market itself are, of course, influenced by the global situation in the development of the global financial market and the complex and contradictory processes of global economic transformation, but at the same time, the influence of Chinese culture is observed – traditions, customs, moral and ethical standards, religious views - on the activities of stock market participants and its dynamics. Thus, the socio-institutional environment of economic activity, manifested primarily in the influence of socio-cultural factors, largely determining economic communications, forms the basis for the functioning and development of the modern stock market with Chinese characteristics;

3. The results of the study showed that the communications of stock market participants in the PRC are greatly influenced by relationships based on trust, which, in turn, are based on the traditional norms and values of Chinese Confucian culture. Relationships of trust between stock market participants are built on the basis of common sociocultural norms, values, as well as traditions, habits, and customs. They form patterns of economic behavior in the stock market, thereby determining the social motivation and framework for the economic actions of stock market participants. Thus, relationships based on trust, as a manifestation of the influence of sociocultural factors in the formation of patterns of economic behavior in the stock market, form a constantly existing specific socio-institutional environment for the functioning and development of the modern stock market with Chinese characteristics;

4. The study also revealed the existence of two steadily reproducing groups of investors in the modern Chinese stock market - a group with a "long-term strategy" when focusing on the Confucian principles of wisdom and caution in conducting transactions with securities and "short-term tactics" of risky investments when focusing on faith in traditional Chinese values. Despite the difference in behavior patterns in the stock market and the degree of satisfaction with its results, both groups act strictly within the framework of patterns formed by the sociocultural characteristics of the functioning and development of the modern stock market in China;

5. The study partially confirmed the main hypothesis of the dissertation research about the value-rational nature of the actions of participants in the Chinese stock market. Sociocultural patterns influence both the process of pricing in the securities market and the behavior of investors in general. At the same time, different groups of investors may have their own types of rationality, defined and oriented towards different cultural traditions, values and symbols. At the same time, it is necessary to take into account the influence on the motivation of the behavior of participants in the Chinese stock market and the universal values of the global investment culture, as a product of global economic transformations. The development of the modern Chinese stock market is carried out under the influence of transformations in the global financial market and taking into account foreign experience, but within the framework of a specific Chinese socio-institutional environment and based on cultural characteristics and traditions.

CHAPTER I. THEORETICAL AND METHODOLOGICAL APPROACHES TO THE STUDY OF STOCK MARKET

1.1. The formation of the stock market as an object of sociological analysis

This paragraph traces the historical aspect of the formation of scientific thought: how the market becomes an object of study first in economic science, and then in sociology.

When studying the stock market, it is important to turn to research on the market itself, since the general definition of the market arose earlier. From a historical perspective, the market was the main object of study primarily for economists. And different interpretations of the concept of the market did not arise simultaneously. Market has traditionally been thought of as a word that means “a circle, a circular area” in which people can gather to exchange goods. Historically, mercantilists (at the end of the 16th – beginning of the 17th centuries) considered only exchange and the market as the main economic categories, since they believed that the market itself and the merchant in the market were the key players, the main economic agents. The market seemed to be precisely a place of exchange, a geographical territory. Since there was a constant exchange of goods and services in the market, the idea spread in society that something could always be sold or bought on the market, and, therefore, the market acted as the center of the economy - the center of exchange, since the economy itself as a whole was viewed as a system of exchanges . Then the classics of political economy already at the end of the 18th - beginning of the 19th centuries. began to pay attention to the hidden factors of business activity - what lies behind the very concept of the market, and began to study factors of production, which also determined the research paradigm at that time (A. Smith, D. Ricardo, J. St. Mill). Further, academic researchers increasingly sought to understand the phenomenon of the market - and turned to the concept of a product and what stands behind the concept of “product”. K. Marx in the 19th century in his works he considered the product as a product of labor, behind which there are difficult human relations (exploitation), and behind the

market value there is surplus labor and surplus value⁴. This approach is associated primarily with a change in the social structure - the transition from the market in the Middle Ages to the capitalist market. In this sense, K. Marx became one of the first who, from a historical point of view, delved into the topic and began to study not only the economic side of the issue, but also the social one. In many ways, this was due to a change in the type of society itself - the transition to a capitalist socio-economic formation. Later, by the end of the 19th century, the market began to be viewed as an ideal mechanism for the relationship between supply and demand (A. Marshall, W.S. Jevons). Thus, the market began to be studied as an abstract model. However, these approaches still did not take into account the influence of external, social factors.

If we talk about stock markets, which are a system of relations between sellers and buyers of securities, then they arose at the beginning of the 17th century. in Holland in Amsterdam, but became widespread throughout the world only in the 20th century. in the context of complex global transformations. In connection with the processes of financial globalization, relations between the stock markets of different countries have become closer, different countries are guided by, rely on and influence each other financially. This topic was studied by D. Rodrik, U. Beck, J. Ritzer, V.I. Garaja.

A broader study of the stock market, which also includes consideration of non-economic factors that determine the features of its development, forms the potential of sociology in this area of research. Unfortunately, despite the fact that the study of the stock market is of great research interest, the number of sociological works devoted to it is quite small. In order to comprehensively study this complex object from the point of view of sociology, it is necessary to first carry out an analysis of the main theoretical approaches⁵.

⁴ Economic sociology: theory and history: monograph / Veselov Yu. V., Kapustkina E. V., Karapetyan R. V., Kashin A. L., Knor Tsetina K., Lipatov A. A., Nikiforova O. A., Petrov A.V., etc.; edited by Yu.V. Veselova and A.L. Kashina. St. Petersburg: Nestor-Istoria, 2012. P. 423.

⁵ Du Xiaotong. Economic and sociological studies of stock markets in China and Russia: theoretical and methodological foundations // Society: sociology, psychology, pedagogy. 2022. No. 12. P. 98.

Sociological studies of markets only began to appear at the beginning of the 20th century. Among sociologists, M. Weber was the first scientist who began to study the institution of the financial market, as well as its changes, and laid the fundamental basis for the study of the stock market. In the chapter "The Exchange and Its Significance" in the work "History of Economics," Weber, based on the historical method, studied the emergence and development of the exchange, both monetary and commodity. According to Weber, the money exchange, the place where foreign money, securities, bills, funds, etc. are traded, can only exist in large cities where large banking houses are located⁶. A characteristic feature of the exchange, as well as capital in general, according to Weber, is the impersonality of the relationship between the one who collects and the one who pays. Capital itself gains dominance⁷.

Weber examined the stock exchanges of European cities in detail in terms of market characteristics, trading patterns, profiles of market participants from different social classes, and market access systems in different exchanges. While studying stock exchanges, M. Weber identified a number of problems on the German stock exchange. Weber believed that the German stock exchange was essentially an economic struggle in which the owners of large capital invariably dominated. Capitalists have absolute influence over transactions on the stock exchange and always have much more choice than other participants in the exchange. In this regard, the honesty and sense of responsibility of the exchange participants themselves play a decisive role. Therefore, both government regulation of the market and moral restraint on the behavior of players have a particularly important impact on the functioning of the stock exchange. One of Weber's proposals was, for example, the creation of a court of honor for the stock exchange class, which could exclude unscrupulous players⁸. M. Weber in his work "Economy and Society" (1922) considered the market from the point of view of

⁶ Weber M. Exchange and its significance / M. Weber / History of the economy / Transl. with German; Ed. I. Grevs; Comment. N. Sarkitova. M.: "Hyperborea", "Kuchkovo Pole", 2007. P. 341.

⁷ Ibidem, p. 345.

⁸ Ibidem, p. 360.

social action, which was not limited only to rational action and extraction of maximum utility⁹. G. Simmel directly drew attention to the need to study the monetary culture of modern capitalist society. The market as a social institution was considered by E. Durheim, as a social system was studied by T. Parsons, N. Smelser, as an organizational niche by M. Hannan, J. Freeman, G. Carroll, as a social network by M. Granovetter, H. White, as social structure was considered by R. Burt, W. Baker, R. Swedberg, D. Stark, B. Uzzi, M. Zafirovski, and as a subject-object structure of social relations was considered by M. Callon, B. Latour, K. Knorr Cetina, A. Preda, D. McKinsey, etc.

In economic sociology in China and Russia, the study of stock markets, the daily actions of their participants, the socio-institutional and socio-cultural environment of activity in these markets is still the sphere of interest of a small circle of specialists in the study of the sociology of finance.¹⁰ Yu.V. Veselov, A.V. Petrov, R.V. Karapetyan, A.A. Smelova, O.A. Nikiforova and other representatives of the St. Petersburg sociological school studied the formation and development of the sociology of markets and systematized the material. V.V. Radaev and D.O. Strebkov systematized the material and studied the motives of stock market participants. Of course, a very significant contribution to the creation of the theoretical and methodological foundations of sociological studies of the financial system and money, as well as the specifics of the formation and development of the monetary culture of capitalist society, was made by the famous Russian sociologist, founder of Russian economic sociology S. N. Bulgakov.¹¹

⁹ Weber M. *Economy and society* / Transl. with German; Ed. Belyaev A. N., Antonovsky A. Yu., Mikhailovsky A. V., Ionin L. G., Levina M. I. M.: Publishing house. HSE House, 2019. P. 92.

¹⁰ Ye Zhaoxia, Petrov A.V. *Economic sociology in China* // *Society. Wednesday. Development*. 2017. №1. P. 33-38; Grossman A.O., Petrov A.V. *Cryptocurrencies as a social phenomenon* // *Society. Wednesday. Development*. 2017. №4. P. 62-66.

¹¹ Baynova M.S., Petrov A.V. *Culture and modern economic system in the works of Sergei Bulgakov* // *Philosophy of Economics*. 2018. № 4(118). P. 48-61.

In the global scientific community there are different views on this research issue. Several key approaches in the new economic sociology to the study of markets can be identified - network, new institutional, sociocultural¹²:

Network approach (R. Burt, W. Baker, W. Powell, D. Stark, B. Uzzi).

According to the network approach, personal characteristics are not so important: motives, norms, values of people. The network approach to stock markets examines the connections between different participants in stock markets. The network approach is based on the concept of trust and reliability of partners in financial transactions. This case examines voluntary market exchange, where participants know each other well and enter into business relationships not simply for reasons of profit, but on recommendation.

The network approach is one of the current approaches to analyzing markets in general, and stock markets in particular. So, in the 1970s. the attention of anthropologists and sociologists was directed to the study of the relationships that unite individuals into a common order, giving meaning to their actions, forming the structure of their social life, including within the framework of the market and market interactions. Some scientists began to view the structure of markets through the prism of networks (R. Burt, H. White, V. Baker, etc.). The approach of industrial sociologists was based on the leading role of informal networks in contrast to formal organizational structures and practices, which differed from the dominant ideas of that period. The network approach includes both an analysis of human action, which is not observed in the culturally deterministic (the so-called "oversocialized") approach, and an analysis of the structure and its limitations, which is absent in the individualistic (the so-called "undersocialized") approach, representing man as an atomized and independent subject. Thus, the network approach has become a kind of alternative to already existing theories, a kind of third way for research.

¹² Economic sociology: theory and history: monograph / Veselov Yu. V., Kapustkina E. V., Karapetyan R. V., Kashin A. L., Knor Tsetina K., Lipatov A. A., Nikiforova O. A., Petrov A.V., etc.; edited by Yu.V. Veselova and A.L. Kashina. St. Petersburg: Nestor-Istoriya, 2012. P. 476.

Harrison White pioneered the network approach to market research in the 1960s and 1970s. In addition to his writings and publications, H. White is honored for training many influential generations of network economics analysts, including early work in the 1960s and 1970s during the Harvard Revolution. H. White's approach is based on the works of A. Marshall (on neo-classical laws of the market) and E. Chamberlin (on monopolistic competition), as well as the concept of market signals by M. Spence. The influence of the latter is reflected in H. White's definition of markets as self-reproducing structures that respond to the emergence of signals of supply and demand, and communication between participants. According to H. White, the market is a communicative system; it arises as a structure of roles, where each company is assigned its own niche. Firms' search for their niches and their identities occurs thanks to the action of signaling mechanisms - the relationship between buyer demand and supplier costs in terms of volume and quality, which they learn about by observing the actions of their competitors and buyers¹³.

Wayne E. Baker is another important early exponent of new economic sociology and network market analysis. His main works are "The Market as a Network" and "The Social Construction of the National Securities Market." Wayne Baker divides market networks into two types: small and tightly coupled networks and large and loosely coupled networks. It examines the influence of different types of market networks on stock market price changes and then reveals the influence of market social structure on the stock market.¹⁴

The focus of the network (structural) approach is not only the analysis of network connections between social objects (participants in market exchanges and organizations), but also the analysis of missing connections in the network (this is how the concepts of M. Granovetter and R. Burt appear) The network approach to the analysis of various social objects has become widespread known thanks to M.

¹³ White, H. Where do markets come from? / White, H. Text: electronic // Economic sociology. - 2010. - №5. - P. 55.

¹⁴ Baker W. E. The Social Structure of a National Securities Market // American Journal of Sociology. 1984. No. 4. P. 775.

Granovetter and his work "Economic Action and Social Structure: The Problem of Embeddedness" (1985). M. Granovetter's concept of "the strength of weak ties" becomes extremely relevant in a certain historical period. He explored how interaction in small groups leads to the formation of macrostructures, using such an aspect of interaction as the strength of interpersonal ties. Strong ties are a stable social network with limitations in the dissemination of information due to the circulation of repetitive, already known information (relatives, friends, colleagues, employees, etc.). Weak ties are an unstable social network with wide dissemination of information (media and other channels and sources). Although "weak ties" are not as "strong", they nevertheless provide extremely fast, possibly inexpensive and highly efficient transfer of information, including the inclusion of new people in stock markets and the mechanisms of its functioning. Strong ties typically represent a high degree of interaction between actors and participants, and they are more intimate in certain types of existing interactions. Therefore, messages generated through strong ties tend to be repeated and tend to become a closed system¹⁵. Because network members have similar views, high frequency of interaction tends to enhance the initial perception of views and reduce integration with other views. Therefore, it is believed that a strong network connection in an organization is not a channel that can provide innovative capabilities. Accordingly, people in a circle of family and friends may know each other, so in such a circle, the communication information provided by other people is relatively homogeneous. For example, what a person heard from this friend or relative may have already been heard from another friend, and they also talked to each other about this topic. Weak ties play a key role when we communicate with the outside world. To obtain new information, it is necessary to include new "weak" links in this chain. These weak ties or acquaintances are bridges between us and the outside world. Thus, people in different places can receive different information about stock markets, stock prices and bonds through weak ties. Your closest friends may

¹⁵ Granovetter M. Economic Action and Social Structure: The Problem of Embeddedness // American Journal of Sociology. 1985. №3. P. 489.

live in the same circle as you, and your lives will almost completely overlap. While those who haven't seen each other for a long time may have a lot of information that you don't have, which can be useful from an investing point of view. This is the strength of the weak links. Another concept applicable to the analysis of stock markets can be considered the concept of "structural gaps" by R. Burt, where a structural gap is non-redundant contacts between two entities.

B. Uzzi's concept is presented in the work "Sources and consequences of embeddedness for the economic performance of organizations: the influence of networks" (2007). Networks of organizations operate within a specific logic of exchanges, which can help improve economic efficiency through the exchange of resources, or, on the contrary, can greatly worsen the position of the organization by limiting access to necessary market information. Thus, an increase in embeddedness can also have a negative impact on economic performance, even if it was such embeddedness that initially contributed to the development of the organization in a particular market. Such economic ties have completely social characteristics, such as: trust, provision of reliable information about the market, and the desire to jointly solve economic problems. And their basis is personal communications, communications with a third party.¹⁶

During the 2010s In both China and Russia, interest in the role of social networks in the economy and in the functioning of stock markets has increased significantly. The network approach (structural) allows you to analyze the market from the point of view of the interweaving of social networks. Considering the increased interest of representatives of the network approach to the analysis of the stock market, it can be stated that it helps to identify the commitment of successful clients to a specific broker, justify the search for new brokers and transactions by unsuccessful clients, and also justify the choice of financial advisors and underwriters (legal entities involved in securities) by issuers. , identify social networks that arise between people and organizations.

¹⁶ Uzzi B. The Sources and Consequences of Embeddedness for the Economic Performance of Organizations: The Network Effect // American Sociological Review. 1996. No. 4. P. 677.

New Institutional Approach (O. Williamson and D. North).

The stock market in the new institutional approach is considered as a set of institutions through which formal and informal rules of behavior of people in the market are formed. Social institutions develop uniform rules of conduct that are common to all participants in the stock market for the purpose of its effective coordination and regulation.

The new institutional approach is also finding interest among economists and sociologists. However, despite the single object of analysis (institutions), there are differences between these approaches. The scope of interests of economic theory includes how agents make choices under given institutional constraints, while economic sociology studies the social construction of institutions.¹⁷ The development of new institutionalism in sociology (1980-1990) goes hand in hand with the development of new institutionalism in economics, borrowing basic terms and directions from economic science.

According to K. Polanyi, the market is an institutionalized process, i.e. market interaction (relations of exchange or distribution) is given shape by cultural norms and rules rooted in economic relations.¹⁸

The origins of the new institutional approach are widely reflected in the works of O. Williamson. Based on the ideas formulated by R. Coase, O. Williamson proposed an approach that was significantly different from the approach to the study of markets and organizations of the neoclassical school. Given the presence of limited resources, any economic agent is forced to make rational decisions, that is, he strives to economically use available resources to achieve his goals. In situations where the agent's information capabilities are limited (that is, he is faced with a limitation of rational choice), the economic agent is forced to rely on social institutions when making decisions. That is why in the

¹⁷ Markin M.E. New institutional approach in economic theory and economic sociology: main similarities and differences // *Economic sociology*. 2012. No. 13(3). P. 130.

¹⁸ Polanyi K. *The Self-Regulating Market and the Fictitious Commodities: Labor, Land and Money* / K.Polanyi. *The Great Transformation*. N.Y.: Farrar & Rinehart, Inc., 1944. P.69.

study of markets it is so important to analyze social institutions and their impact on market relations.¹⁹

An economic agent not only has limited (rather than complete) information capabilities, but also operates under conditions of uncertainty and asymmetry of information that arise due to the presence of specific assets by counterparties, which they cannot evaluate correctly. In such situations, it is institutions that make it possible to prevent deviant behavior of counterparties in markets, which results in the creation of firms (hierarchies of organizations).

O. Williamson was convinced that economics in the second half of the last century made great strides forward in the study of economic institutions, but many unresolved research questions remained. For example, this is a study of the social rootedness of the actions of an economic agent within the framework of modern economic theory. And this approach belongs to the so-called “sociological turn” in the new institutional economic theory. It is associated primarily with the name of D. North.

From the point of view of O. Williamson, institutions should be considered as a system of given restrictions on the actions of economic agents, and how they arose is not very important. D. North, on the contrary, suggested that economists engage in research specifically on the social origin of economic institutions, that is, engage in socio-historical research.

According to D. North, the main goal of research within the framework of new economic history should be research that would be aimed at analyzing historically determined barriers to economic growth. He believed that institutional changes, which have their own characteristics in different countries, determine economic development. That is, the way to understand the peculiarities of the functioning of the mechanisms of economic change is to study the social history of specific states. An important role in this version of economic analysis, along with informal institutions, is played by the state as a legislator and economic actor that

¹⁹ Williamson O. I. Economic institutions of capitalism: firms, markets, “relational” contracting: trans. from English / Scientific ed. and entry Art. V. S. Katkalo. St. Petersburg: Lenizdat, 1996. pp. 48-122.

promotes economic growth. At the same time, the theory of property rights occupies a central place in the new institutional economic theory and history. For example, the historically determined structure of property rights affects the distribution and use of all resources (including financial ones) by economic agents.²⁰

In addition, research undertaken by D. North confirmed the importance of dividing institutions into formal and informal when analyzing them. Reliance on the study of social and economic history to understand economic changes, as well as taking into account the influence of ideologies, traditions, customs and religious beliefs on the actions of economic agents in any area of market relations, represented the “sociological turn” in economic theory. And even the concepts of “rules” and “fields” (borrowed from P. Bourdieu) appear, applicable to market analysis, as well as interest in the analysis of power relations and social distribution of resources. So, for example, the rules for the Russian stock market are developed and controlled by legislative and executive government bodies with the participation of professional associations. And it is important to take such relationships into account when studying the features of working in the stock market. Thus, the new institutional approach in economics began to focus on the study of formal and informal rules for the functioning of the stock market.

Sociocultural approach (V. Zelizer, P. DiMaggio, M. Abolafia, K. Knorr-Cetina, etc.).

The sociocultural approach is one of the key approaches to the analysis of the stock market, since it pays attention to the sociocultural characteristics of market participants, namely: the analysis of traditions, values and norms, motives for action, social experience and education. Among the studies of the modern stock market, there is also already an analysis of how history, religion, traditions and other cultural characteristics influence the structure of investments and the behavior of economic agents in stock markets. In Russia there are interesting

²⁰ North D. Institutions, institutional changes and the functioning of the economy / Comp. and scientific ed. Milner B.3. M.: Foundation for Economic Books “Beginnings” , 1997. – 178 p.

studies of the stock market as a sociocultural object. For example, V. Radaev and D. Strebkov study various social and cultural motives for the behavior of economic agents. In particular, D. Strebkov analyzes the cognitive motives of economic agents, as well as the motive of self-realization, the motive associated with the acquisition of social status, the emotional motive (for example, pride), the motive of belonging to a certain (successful) social group, and, of course, the motive of economic benefit and safety.²¹

The behavior of agents in stock markets can also be distinguished by the type of social action. As is known, M. Weber proposed the following classification of types of social action: traditional, rational, value-rational and affective. If from the point of view of economic theory it was believed that the behavior of agents in the stock market is an example of a purely rational action, then from the point of view of sociology this is not at all the case. All types of social actions are found in stock markets, and yet, we can say that modern man is precisely a capitalist man. D. Strebkov, for example, believes that a certain new type of personality is emerging, which could be characterized as bourgeois.²² For this type of economic agents, financial well-being is the main criterion for the success of their activities within the modern stock market; in addition, the motive of economic independence and freedom is added as a motive.

Many actions in the stock markets are directly related to the topic of risks, since the winnings are not always obvious. Some people strive to invest funds and investments, others, on the contrary, strive to save, some take big risks and transactions, others are careful and attentive in their behavior. Very often, patterns of desire to save or invest are determined not only by the person himself, but also by the socio-cultural characteristics of the country in which he lives. Each country has its own model of behavior and its own culturally determined attitude towards risks.

²¹ Strebkov D. O. The stock market as an object of sociological research: opportunities and prospects. - 2007. P. 23-32.

²² Strebkov D. O. What prevents a private investor from entering the Russian stock market? // Emergency ration. Debates about politics and culture. 2007. No. 3. P. 101.

The sociocultural approach is one of the most important sociological approaches to the analysis of markets, and stock markets, as sociocultural objects. According to this approach, markets are not formed in some kind of vacuum, on the contrary, they are immersed in a specific socio-cultural environment, they are formed in a certain economic culture associated with moral, religious, artistic culture.²³

According to economists, culture is a set of factors that limit economic behavior, and since they cannot be quantified, they are therefore hidden from economic analysis. These factors are often treated as immutable, first of all, because of their apparently exogenous nature and, second, because of the assumption of classical economics that human tastes and preferences (*homo economicus*) are unchangeable. Representatives of economic sociology have a different point of view. Of course, culture cannot be something completely external to economic activity and its motives. Not only do cultural factors positively influence economic activity, cultural factors are elements built into economic activity. The conflict between culture and the market should be considered artificial, far-fetched. The market not only sells goods and services, it becomes a means of production and distribution of identities. Status hierarchies are distributed and established. The market is also a place of symbolic struggle for the formation of the meaning of things (according to P. Bourdieu).²⁴ In addition, sociological, cultural, and anthropological studies of sociocultural factors show that they are changeable, changing from community to community and within different historical periods. These factors, of course, also determine what is commonly understood as the modernity of the economy and society.

Of course, each approach has certain limitations. In the cultural analysis of markets, an ethnographic approach to the study of the characteristics of stock

²³ Culture and structure of stock markets. [Electronic resource] URL: <https://www.ixueshu.com/document/466acba9d1aca3e9bf502c555d453daf318947a18e7f9386.html> (access date: 03/12/2023)

²⁴ Xu Jilin. *Pulse of China*. Shanghai: Shanghai Sanlian Publishing House, 2021, pp. 31-40. (In Chinese)

markets, presented in the works of M. Abolafia, can also be used. Historical and cultural approach to the study of life insurance markets - the works of V. Zelizer.

It is the sociocultural system that forms the basic cognitive abilities of the main market actors - economic agents, allowing them to quickly process information flows and use them in business. And it is the sociocultural system that forms the basis for comparison and selection of various business strategies for behavior in stock markets, which are also a reflection of the characteristics of the behavior of economic agents in different countries.

The sociocultural approach determines that the process of goal setting in the economic system itself is a process determined by the existing culture. Market demand is formed both by the solvency of consumers and the characteristics of their sociocultural preferences. And the demand itself is formed by the motives of consumers, which, in turn, are formed in a certain cultural context, within the framework of a certain social experience (for example, patterns of behavior within the specific economic culture of a particular country). That is, culture also shapes the demand for goods and services, as does, for example, the basic availability of money. And the relationship between cultural and economic processes can be manifested in the positioning of goods and services in the market with the help of brands and trademarks.

As P. DiMaggio rightly believed, it is culture that has the ability to determine the system of exchanges, create conditions for the functioning of markets, determine the rationality of the actions of economic agents, create institutions of a market economy and the possibility of their effective adaptation to certain social conditions. That is, markets and their functioning are determined by the existing culture and its specificity in different societies.²⁵

And another representative of economic sociology, K. Knorr-Cetina, rightly believes that the financial market can be a good indicator for measuring the level of well-being of society, because people rely on the financial market to receive

²⁵ DiMaggio P. Market Structure, the Creative Process, and Popular Culture: Toward an Organizational Reinterpretation of Mass-Culture Theory // The Journal of Popular Culture. 1997. №2. P. 436-452.

pensions, loans, income, and investments. And governments and businesses also depend on the financial market.

The financial sector in the US and Western countries is largely market driven. In China, the government also played a huge role in the financing process. It can be said that China's financial sector is a process driven by the state and the market. Thus, the speed, intensity and scale of China's funding growth is even faster, stronger and greater than that of Western countries. In terms of finance in the broad sense, it includes not only financial markets and financial institutions in the narrow sense, but also includes land market finance, real estate, private credit markets and shadow banking. Financing has implications for China's social stratification, income redistribution, and social status. The influence of social stability, social management and public administration is even greater than in the West. Funding and its influence permeate all areas of social life, such as economics, politics, society, culture, ecology, science, research, education, medicine and technology.

In terms of narrowly defined financial markets and financial activities, after more than 30 years of development, China's financial institutions and financial markets have gradually established and reformed some important areas of social life. However, the capital market also faces factors such as "political market", "retail market" and "type of contract", as well as issues such as the issue of "supervision".²⁶ How to promote healthy and stable development of the capital market, how to create an effective and inclusive financial system, as well as how to resolve and prevent financial risks based on sociocultural specifics - these are the main strategic issues facing the future development of China's stock market.

For Russian research practice, the sociocultural approach is of particular interest, since it studies the influence of cultural, socio-historical, economic and religious traditions on the participation of the population in the investment process, in mastering the instruments of the stock market (the emergence of a group of

²⁶ Che Wenhui. Economic and sociological analysis of investor behavior when trading securities // Journal of Social Sciences of Xiangtan University. 2003. No. 4. P. 48. (In Chinese)

retail investors). For example, the sociocultural approach in Russian financial market research played a major role in identifying citizens' attitudes towards privatization in the 1990s, and the impact of privatization on the functioning of the Russian stock market.²⁷

Thus, the stock market as an object of sociological research has gone through a long stage of formation. Among the most relevant sociological approaches to market research are: network, new institutional, sociocultural. In this dissertation research, special attention will be paid to the sociocultural approach, within which the stock market is not just an organizational structure, but a highly structured and coordinated cultural form. Each country will have its own sociocultural factors that determine the operation of stock markets and the investment culture of the population.

²⁷ Podgorny B.B. Stock market: economic and sociological approaches to study // Proceedings of the South-West State University. Series: Economics. Sociology. Management. 2015. No. 4. pp. 101-103.

1.2. Theoretical studies of the influence of sociocultural factors on the stock market

This section analyzes various theoretical studies of the stock market and identifies sociocultural factors influencing the functioning of the stock market. The potential of a sociocultural approach to the analysis of the stock market is considered, taking into account the importance of a comprehensive analysis of the impact of values, norms, sociocultural institutions, motives for economic actions and other sociocultural factors.

Nowadays, representatives of the state, company management, and even ordinary citizens, who in different ways and are increasingly involved in the complex processes of the functioning of these markets and this system, are interested in the results of the analysis of the peculiarities of the functioning of stock markets and the financial system as a whole. For example, the study of sociocultural factors makes it possible to understand their influence on the real economic behavior of participants in transactions in stock markets.

If we talk about theoretical studies of sociocultural factors in the development of stock markets, then it is important to mention the studies of such theorists of economic sociology as: M. Weber, V. Zelizer, M. Abolafia, K. Knorr-Cetina. Within the framework of Russian economic sociology, there are the above-mentioned studies undertaken by D. O. Strebkov and V. V. Radaev. Among the Chinese researchers, we can highlight such researchers as Gao Mianhu, Cui Pan, Teng Siqi (“Research on the methods and ways of inheritance and development of Chinese traditional culture in the cultural construction of the securities market industry”), Wang Mengjiao (“Research on the temporary effect of the stock market”), Zhang Zhang (“Research on price clusters under the digitalization of the Chinese stock market”).²⁸

Among the works of well-known modern specialists in economic sociology, the work of V. Zelizer “Human values and the market: life insurance

²⁸ Du Xiaotong. Economic and sociological studies of stock markets in China and Russia: theoretical and methodological foundations // Society: sociology, psychology, pedagogy. 2022. №12. P. 97.

and death in America of the 19th century”, the work of M. Abolafia “Markets as cultures: an ethnographic approach” and K. Knorr-Cetina are of unconditional theoretical interest. "The Market as an Object of Attachment: A Study of Postsocial Relationships in Financial Markets."

V. Zelizer conducted a sociological study of the market from the point of view of a sociocultural approach. In her work “Morals and Markets: The Development of Life Insurance in the USA” (1979), V. Zelizer examined such a social problem as human life insurance, based on a qualitative analysis of historical data that allows us to understand the dynamic process of changing a person’s value system.²⁹ Using the historical method, she traced how, with the development of science and technology, human consciousness gradually changes, the contradictions between human values and the monetary valuation of all objects of life as goods in market conditions become more and more acute. For example, if earlier in culture the death of a person was considered priceless, and measuring it with money was desecration, then the idea of the value of a person’s death became more acceptable as people’s attitudes towards death changed. A death with dignity requires that a person leave a means of livelihood (such as stocks and bonds) to the family.

M. Abolafia considered the stock market from the point of view of repeated interactions, determined culturally, by a system of rules, norms and social relations. In his work, *Markets as Cultures: An Ethnographic Approach*, he conducted an ethnographic study of various stock markets on Wall Street, including the bond market, the stock exchange, and the futures market. According to Abolafia, market culture is constantly changing and is influenced not only by time, but also by the very social space of transactions. When

²⁹ Zelizer V. Human Values and the Market: The Case of Life Insurance and Death in 19th-century America // *Economic sociology*. 2010. №2. P.54-72.

studying the stock market, he used concepts such as "constitutive rules and roles" and "local rationality".³⁰

The “constitutive rules” he formulated are understood as a set of criteria and rules, both formal and informal, according to which market participants act. And roles are social identities, expressed in various values and determining the behavior of market participants based on their role positions. And rationality, as a specific form of culture, limits the awareness and decisions of market participants. Therefore, studying the culture of market economic relations using an ethnosociological approach not only helps to better explain the peculiarities of the functioning of markets (in different countries) based on their contexts and conditions, but also makes it possible to observe how a particular culture of market communications changes.

According to P. DiMaggio, the constitutive influence of culture on the economy must be considered in a spatiotemporal framework, and the longer the analyzed period, the more attention should be paid to changes in institutions.³¹

K. Knorr-Cetina considered the stock market from the point of view of subject-object relations. In “The Market as an Object of Attachment: A Study of Post-Social Relations in Financial Markets,” Knorr-Cetina believes that the financial market is an indicator for measuring the level of well-being of a country: society needs a financial system to constantly receive loans, income, benefits, investments, and the growth of any enterprises also depend on the financial market. The relationship between market participants and objects such as networks, markets, etc. turned out to be of a living, social nature. For traders, the market is not just computer screens or a place where they receive

³⁰ Abolafia M. Markets as cultures: an ethnographic approach // *Western economic sociology: a reader of modern classics / Comp. and scientific ed. V.V. Radaev; lane M.S. Dobryakova et al. M.: ROSSPEN, 2004. P. 435*

³¹ Dimaggio P. Culture and economy // *estern Economic Sociology: Reader of Contemporary Classics / Comp. and scientific ed. V.V. Radaev; lane M.S. Dobryakova et al. M., 2004. P. 504.*

information and make trades, but a living being that quickly changes and perceives, it is difficult to fully understand.³²

The famous Russian researcher D. Strebkov explores the peculiarities of the functioning of the stock market in Russia and the various motives of consumers. He draws attention to the importance of a comprehensive analysis of such motives as material gain, risks and safety, the motive of self-realization or the motive of increasing social status, belonging to a certain successful social group and emotional motive (excitement, pride). The behavior of economic agents in stock markets also differs in the type of social actions. Thus, M. Weber identified different types of social actions: rational, value-rational, traditional and affective. If previously it was believed that the behavior of investors in securities is an example of the rationality of such economic actions, then from a sociological point of view there is no ideal-typical rational action. All types of social actions occur in stock markets. And it is precisely from such theoretical concepts that sociologists now proceed when formulating research tasks for modern stock markets.³³

Many actions of economic agents in stock markets are directly related to the study of the topic of risks and risk investments, since the gain is not always obvious. Some agents strive for rapid and increasing investment, other agents, on the contrary, are focused on maximizing the preservation of existing financial assets, some take large risks and transactions, and others, on the contrary, are extremely careful and attentive to potential risks. It often turns out that the desire for investments, including risky ones, may depend on the sociocultural characteristics of the country in which a particular investor operates. Each country has its own model of behavior and its own culturally and historically determined attitude of economic agents to financial risks. For example, modern sociological research shows that Russian citizens are not yet inclined to

³² Knorr-Cetina K., Brugger U. The Market as an Object of Attachment : Exploring Postsocial Relations in Financial Markets // *Western economic sociology: a textbook of modern classics /* Comp. and scientific ed. V.V. Radaev; lane M.S. Dobryakova et al. M., 2004. P. 453.

³³ Presnyakova L. Basics of financial culture. Ideas about investing in shares // *Social reality.* 2007. No. 7. P. 7.

individual risky play on a mass scale in stock markets due to the influence on their reaction of the very specific history of the formation of the Russian financial market in the 1990s.³⁴

Another example: Chinese researchers pay attention to the preferences in the actions of investors, determined by their culture, to their orientation towards the so-called. "lucky numbers" to other cultural factors that change the stock pricing process. For example, in the article "Lucky numbers and stock prices", published in the scientific journal "Management", Zhao Longkai, Yue Heng, Yeo Pinggue analyzed price data for all types of transactions in the stock market from 01/01/2005 to 03/31/2005 (information from SINFIN database created by the Economic Research Center of Peking University, China). According to these experts, since in traditional Chinese culture, ordinary people try to avoid the number "4", which sounds like the word "death", and prefer the number "8", which is pronounced "fa" (wealth) in Chinese, investors are also the stock market perceives these numbers in exactly the same way, although such a perception of numbers when working, concluding transactions, and determining the price of shares is absolutely irrational. For example, some investors in the Chinese stock market deliberately chose stocks with the number "8" in their digital code. And the results of empirical statistical analysis confirmed such an irrational choice. Interestingly, during traditional Chinese holidays even the "magic of numbers phenomenon" operates.³⁵

Another example is a study by Chinese business ethics expert Zhang Ying published in the Journal of Henan Normal University entitled: "On the Importance of Ethics in the Stock Market." Having analyzed the risk response for investors, securities issuers, securities firms, as well as the activities of the supervision and management department in the Chinese stock market, the famous Chinese scientist drew an important theoretical conclusion from the

³⁴ Strebkov D.O. Motivation for the entry of Russian private investors into the stock market // *Economic Sociology*. 2007. No. 5. pp. 17-39.

³⁵ Yo Pinggue, Zhao Longkai, Yue Heng. Lucky numbers and share prices // *Management*. 2008. No. 11. pp. 44-77.

results of his research: all activities in the stock market are closely related to ethics, just like in the entire financial sector. Perhaps the most serious issue is the issue of maintaining the reputation of participants in stock market transactions.

At the same time, the study showed that there are 4 moral and ethical principles that should become the basis of business ethics in the stock market: openness, fairness, impartiality and integrity. Honesty and reliability are the basic rules of behavior in economic activity in general and the necessary moral capital for the existence of all economic agents in the market.³⁶

In order to comprehensively analyze the impact of traditional Chinese culture on the behavior of economic agents, expert analysts from the famous brokerage firm Zhongtai Gao Mian, Hutsui Pan and Teng Siqi conducted a survey among employees of their company (409 questionnaires). Their article “Methods and ways of inheriting and developing traditional Chinese culture in the cultural construction of the securities market industry” was published in 2018 in a special collection devoted to the main issues of the development of the Chinese stock market.³⁷

The survey asked staff questions related to their understanding and application of traditional values in their work. For example, how well do you understand Chinese traditional culture (value system)? Do you rely on traditional Chinese virtues in your daily transaction work? How important do you think such a virtue as self-discipline in complying with the ethical requirements of the company is for you? To what extent is China's financial industry influenced by Western values (rationalism), does this bother you or conflict with your perception of traditional Chinese culture?

The results of this study showed that traditional Chinese values play a significant role in the behavior of respondents who participate in the stock market. Employees of financial companies perceive traditional Chinese culture

³⁶ Zhang Ying. On the importance of ethics for the stock market // Journal of Henan Normal University. 2008. No. 2. P. 33. (In Chinese)

³⁷ Gao Mian, Hutsui Pan, Teng Siqi. Research of methods and ways of transmission and development of Chinese traditional culture in the cultural construction of the securities market industry // Materials on stock market research. Beijing, 2018, pp. 1025-1033. (In Chinese)

at a sufficient level, which can be explained by their relatively high level of education and significant economic opportunities. And these opportunities allow them to constantly expand their cultural horizons. Important traditional character traits are: dedication, self-discipline and the desire for self-improvement. All this also helps them not to violate ethical rules at work. Moreover, more than half of the employees (60.6%) are convinced that intercultural exchange also enriches organizational ethics.³⁸

There are also data from other sociocultural studies. For example, “The Effect of 24 Calendar Seasons on the Stock Market” by Wang Mengjiao. She studied the relationship between changes in stock market prices and the traditional calendar in China (the main calendar seasons in China). A comparative analysis was carried out based on statistical analysis of the dynamics of the main stock market indices of China and Singapore, Hong Kong, Taiwan, Japan and South Korea over twenty years (from 1997 to 2016). According to the results of the study, there is a seasonal effect in the stock market in China, associated with the traditional perception of different seasons of the year by investors. For example, traditionally, spring - the beginning of the year according to the Eastern calendar - is perceived by Chinese and Asian investors as an important, decisive time of year for investments, when investment activity in the stock market really increases significantly.³⁹ The mentality of Chinese investors is firmly rooted in the idea of “sowing seeds for the future harvest in the spring and harvesting in the fall,” which is also reflected in the dynamics of investments and transactions.⁴⁰

Zhang Ni, in a 2017 paper, suggested that for many centuries, traditional Chinese culture has had a decisive influence on the Chinese mentality, which is why Chinese investors still pay attention to the meaning of words, such as

³⁸ Ibid., p. 1031.

³⁹ Wang Mengjiao. The effect of 24 calendar seasons on the stock market: dissertation. for the job application step. Doctor of Economics Sciences / Don Pin. Nanking. 2017. P. 54. (In Chinese)

⁴⁰ Wang Guowei. Study of investor behavior in the stock market from the point of view of economic sociology // Academic research. 2011. No. 10. P. 47. (In Chinese)

company names. And even in the stock market, the seemingly “realm of quasi-rationality,” dealmakers still pay attention to the “favorable names” of companies.⁴¹

This important conclusion was made based on the results of a sociological analysis of 1069 companies listed on the Chinese stock market (2010 - 2015, based on the Guotaijunan brokerage firm). Based on the results of the study, the author also came to the conclusion that companies with “favorable names” attract more attention from medium-sized as well as retail investors. Secondly, the shares of such companies sell much better, and the turnover rate on the stock market and the liquidity of their assets are higher. And in general, a “favorable name” determines the success of a particular company among investors, for example, an assessment of the prospects of investing in its assets.

Religious beliefs also influence the performance of the stock market. This was confirmed by a study undertaken by Zhang Pingping on the influence of religious factors on the decision-making process of Chinese families to participate in risky transactions and investments in securities on the stock market. For example, traditional Confucian culture, which forms its own special rationality that determines risky investments and, in general, responsibility to the family for its financial well-being (impact on the behavior of retail investors).⁴² But research into the influence of religious factors on investment activity and the stock market in China, and in other countries too, still needs to be developed. Perhaps this is the least developed area in modern sociology of the stock market and research into the influence of sociocultural factors on the functioning and development of the stock market.

Summarizing the above, it should be noted that all of the above approaches to studying the influence of sociocultural factors on the stock market

⁴¹ Zhang Ni. A study of the effect of a beautiful name on the Chinese stock market: dissertation. for the job application step. Doctor of Economics Sciences / Don Pin. Nanking. 2017. - 45 p. (In Chinese)

⁴² Zhang Pingping. Study of the influence of religious traditions on the choice of family financial assets: dissertation. for the job application step. Doctor of Economics Sciences / Luo Ronghua. Chengdu. 2019. – 61 p. (In Chinese)

are united by the interest of all researchers in the socio-historical analysis of these factors. For example, both M. Weber and V. Zelizer paid a lot of attention to the history of markets, money and stock exchanges. And the Russian sociologist D.O. Strebkov drew attention to the importance of analyzing the background of the stock market in Russia, which developed during the period of liberal economic reforms of the 1990s. Chinese researchers studying the relationship between culture and the stock market draw attention to the importance of studying the dynamics of changes in this market and the influence of culture on these dynamics. In particular, they pay great attention to the influence of traditional culture on the stock market and communications within it, on the motivation of investor behavior and the institutional features of its functioning. For example, Gao Mian, Hutsui Pan, Teng Siqi conducted a comparative socio-historical study of the influence of cultures of different civilizations - Western and Chinese - on the modern stock market, and Zhang Pingping studied the religious and historical factor in the development of the stock market, paying attention to the influence of Confucian values culture on the motivation of behavior of economic agents of the stock market.

Thus, the market as an economic system does not exist in isolation, it is immersed in social relations and is directly influenced by the society and culture in which it is located. According to the results of the theoretical analysis, the sociocultural factors influencing interaction on the stock market include the following:

- traditions and customs (for example, “lucky” numbers, traditional calendar, focus on taking into account the sociocultural specifics of the perception of the company name in China);
- moral and ethical standards (including honesty and reliability, fairness, impartiality and integrity);
- religious norms (for example, Confucianism in China);
- values of traditional culture;

- political and legal norms (the role of the state in regulating the country's culture);
- fashion for the profession;
- level of education of market participants.

These and other sociocultural factors will be addressed further in the dissertation research.

1.3. Socio-historical analysis of the origins of the stock market in China

This section uses the socio-historical method to analyze changes in the socio-cultural stages of the formation and development of the Chinese stock market. The author's classification of stages is given in accordance with their sociocultural basis.

Stage 1. Traditional prerequisites for the formation of the stock market.

In the 1860s and 1870s. The emergence of the Chinese securities market was carried out in parallel with the expansion of Western countries towards China. However, the concept of the securities market, similar to its modern understanding, dates back to the Warring States period in China (about 2.5 thousand years ago). At that time, the state borrowed funds from wealthy families, and princes could provide loans to ordinary citizens, while issuing some kind of proto-bonds. And during the reign of the Han and Tang dynasties, it was no longer an accident that the state borrowed huge sums of money from rich people for military needs.⁴³ With the development of trade, other instruments of the securities market appeared: commercial bills, paper checks, bills of exchange and pawnshops, and the varieties of securities became more numerous. A new form of business organization has also emerged - "proto-joint stock companies."⁴⁴ This form of enterprise organization obviously already had the characteristics of a capitalist joint-stock system of economic relations. The agreement defining the rights and obligations of "shareholders" signed between the participants of such companies is the earliest prototype of securities in China.

Agriculture has long occupied a dominant position in the Chinese economy, being in fact the basis of the country's economic system. And the rulers of China have always paid great attention to the development of agriculture, downplaying the importance of exchanges and trade. Confucianism

⁴³ Zhang Chongting. Analysis of development and changes in Chinese stock exchanges // Tsinghua Financial Review. 2021. No. 95. P.37. (In Chinese)

⁴⁴ Yin Zhengtao. Traditional culture and the emergence of modern financial culture of the securities market // Historical discourse. 2016. No. 17. P. 97. (In Chinese)

encouraged the development of such qualities in a person as honesty, loyalty, hard work, and, on the contrary, condemned the desire for material gain, defending frugality and opposing the desire for luxury. Confucian principles became the basis of Chinese financial culture, which was encouraged by the state. And although China has had various early forms of securities since ancient times, under the influence of medieval Chinese culture they still did not receive further development.⁴⁵

Stage 2. Formation of the stock market in China. The influence of Western culture.

The formation of the stock market. After the Opium War of 1840, the five cities of Guangzhou, Xiamen, Fuzhou, Ningbo and Shanghai were opened to foreign businessmen one after another.⁴⁶ Foreign business began to actively develop in China, not only supplying new goods to China, but also gradually increasing investment in the Chinese economy. The activities of the first foreign companies in China were related to trade, shipping, shipbuilding, finance, insurance, light industry, etc.⁴⁷ These foreign firms established in China not only brought the capitalist mode of production to China, but also extended the joint stock company system to China, in the form in which they already existed in Western countries.

At that time, there were no fixed trading places and rules on the newly emerged Chinese securities market; trading in securities was carried out only among foreign businessmen, and transactions were made only with securities of foreign joint-stock companies. Even the first institution where securities trading was carried out was created by a foreign company - the British Changli Company operating in China, founded in Shanghai in 1869.⁴⁸ During this period,

⁴⁵ Du Xiaotong. Features and stages of formation of the stock market in China // Society. Wednesday. Development. – 2023. – № 3. – P. 15.

⁴⁶ Zhang Chunting. A brief history of the development of the Chinese securities market (late Qing dynasty) // Stock Market Bulletin. 2001. № 4. P. 37. (In Chinese)

⁴⁷ Gao Chunping. History of money // Economic issues. 2007. № 1. P. 125. (In Chinese)

⁴⁸ Brief history of the Shanghai Xishan Stock Exchange // Banking Weekly. 1919. № 116. P. 83. (In Chinese)

the organization and structure of the stock market was completely imported from Western countries. And this caused a conflict with traditional Chinese economic culture. Although the economic ideas that came from these countries were relatively quickly accepted by part of Chinese society, since Confucianism still encouraged intercultural exchange, the exchange of ideas, and the desire to learn from those who had achieved success in some cause that was beneficial to society and the state.⁴⁹ In 1872, in order to find ways to stabilize the economic situation, which continued to deteriorate in China, Li Hongzhang, then the governor of Zhili, decided to use foreign business experience and initiated the creation of the first national Chinese joint-stock company - Shanghai Merchants Steamship Co., Ltd. . At the same time, the first “real” securities became widespread in China. Apart from shipping, the government has actively encouraged and assisted entrepreneurs to set up joint stock companies in insurance, mining, textiles, public services and other industries, and the joint stock companies have achieved great success. Especially in the mining industry, where the share price quickly doubled.⁵⁰ With the increase in the number of joint stock companies in China, the demand for stock trading has gradually increased. However, there was no special exchange at that time, and trading in shares of Chinese companies was carried out, as a rule, among relatives, friends or acquaintances. Everyone gathered in a teahouse to trade shares while drinking tea, but the price of the transaction was determined by both parties in accordance with market conditions.⁵¹ The development and success of joint stock companies meant that foreign businessmen and foreign-funded banks engaged in

⁴⁹ Yang Zhu, Wang Aoran. Confucian philosophy and the participation of Chinese families in the stock market // Bulletin of the Central Financial and Economic University. 2020. No. 12. P. 37. (In Chinese)

⁵⁰ Tian Yunxiu. China's stock market from 1862 to 1883 // Studies in the economic history of China. 1995. № 2. P. 55. (In Chinese)

⁵¹ Song Shiyun. China's securities market in the late Qing Dynasty // Journal of Shandong Pedagogical University. 1997. № 6. P. 35. (In Chinese)

stock speculation in China quickly became rich. Their example turned out to be contagious.⁵²

Formation of the bond market. At the end of the 19th century. China also borrowed from Western countries the system of organizing and managing government debt obligations. At that time, in order to borrow money to fight the war with Japan, the Qing Dynasty government, imitating Western countries, issued national bonds such as "interest-bearing bonds", "Zhaoxin shares" and "patriotic bonds".⁵³ "Interest-bearing bonds" were the first official modern government debt in Chinese history. And the issuance of these government bonds was a challenge to the old feudal aristocracy. Throughout Chinese history, only the emperor ruled the country, and imperial power was above all and did not depend on anyone. And the issuance of government debt meant that the government itself became a debtor of society, or rather, of specific creditors who bought these government obligations. From that moment on, the relationship between the emperor and his subjects began to change rapidly, the feudal hierarchy gave way to capitalist relations, relations between creditor and debtor. The emperor became a debtor, who also had to constantly pay certain interest on issued obligations. And such a situation could not but affect changes in social consciousness and economic culture. The second type of government bond issued by the Qing government was "Zhaoxin shares" in 1898 to compensate for damage caused by the Sino-Japanese War. At the same time, government officials often had little understanding of securities and could not even distinguish stocks from bonds.⁵⁴ During the late Qing dynasty, government spending, driven in part by military needs, increased rapidly, creating huge holes in the empire's budget and forcing the government to borrow more and more. However, no one was willing to lend money to the government anymore. And

⁵² Li Chunmei. The formation of a modern system of joint-stock companies in China // Journal of Sichuan Pedagogical University. 1995. № P. 132. (In Chinese)

⁵³ Xu Y. On the history of foreign debts of the Qing dynasty. Beijing: Chinese Publishing House of Finance and Economics, 1996. P. 6. (In Chinese)

⁵⁴ Tian Yu. Review of the history of the Chinese stock market and the struggle for the future // Economic Forum. 2016. №2. P. 31. (In Chinese)

the placement of government securities on the financial market began to have the character of forced borrowing. Even members of the imperial family and, even more so, ordinary government employees were obliged to buy them.⁵⁵

Although the government bonds of the Qing government were borrowed from the Western financial system, they were nevertheless still Chinese securities. Why? First of all, because the acquisition of government obligations was often perceived by Chinese society as a donation of funds by officials and wealthy businessmen to their country, and without real guarantees of repayment of the loan or even payment of interest on these securities. This perception by part of Chinese society of government securities, their issue and acquisition, was completely in line with Confucian philosophy, ethics and economic culture.

In its early stages of development, China's securities market experienced many major crises. For example, when the price of rubber on the international market rose sharply in 1909, British businessman J. Mabian announced that he owned a large rubber plantation abroad and that his company's annual dividends could reach about 45%, this attracted the attention of a large number of people in China, seeking to buy shares of such a highly profitable company.⁵⁶ At the same time, while secretly inflating the price of rubber, J. Mabian conspired with a group of foreign banks to make loans to those who invested their funds in rubber stocks. Thus, the high dividend and credit speculation scam attracted funds from a large number of Chinese banks and individuals. In three months, the price of the company's shares increased 27 times their nominal value. But J. Mabian secretly sold his shares and absconded with the money. After other foreign businessmen learned about this, they also sold all their shares one by one. At the same time, foreign banks stopped issuing loans to the public to purchase shares. When the scam was finally revealed, the price of the shares dropped to the value of the piece of paper on which they were printed. Investors involved in the deal went bankrupt, and more than 20 banks closed. There was extreme

⁵⁵ Tian Delin. Bond of the Qing government of 1898 “British-German renewal of foreign loans” // Economics Weekly. 2021. №1. P. 70. (In Chinese)

⁵⁶ Chronicles of the Chinese stock market // Chinese financiers. 2009. № 9. P. 156. (In Chinese)

panic in the market.⁵⁷ The Chinese stock market has suffered a severe blow both economically and socially and its development has stalled. After all, a security has value only when there is trust in its issuer. And trust is the most important part of economic culture, especially if we talk about Confucian economic culture.

Stage 3. The emergence of the Chinese stock exchange

However, after the crisis, there was a revival of the stock market in China, based on the integration of Western financial culture and traditional Chinese economic culture. The openness of traditional Chinese culture to perceive everything new, even if it comes from outside, but is useful at the moment, coupled with the Confucian ideals of serving everything new and, most importantly, useful to Chinese society and the state, led to a relatively effective adaptation of Western ideas about the securities market and his tasks to the realities of the Chinese socio-economic system of those times. The overt “utilitarianism” of the stock market turned out to be, to some extent, complemented by the desire for the “virtue” of serving the economic interests of the state.⁵⁸ Reformers such as Liang Qichao and Kang Yuwei made a great contribution to the establishment of such ideas about the role of the stock market in the socio-economic development of China.

Liang Qichao was the first to advocate the creation of a securities market and stock exchange in China. His views on the formation of the securities market are mainly reflected in two articles: “Preliminary Questions on the Policy of Managing the Public Debt,” written in 1910, and a subsequent article, “A Warning to Entrepreneurs in China.”⁵⁹ The scientist believed that all previous Chinese activities in developing the stock market were characterized by “blind” behavior, since one cannot follow examples, even successful ones, such

⁵⁷ Zhang Xiuli. Study of the trend of eraser shares // Social Sciences. 2009. № 4. P. 143. (In Chinese)

⁵⁸ Zeng Kanglin. On culture, religion and the development of the stock market // Credit information. 2014. № 7. P.1. (In Chinese)

⁵⁹ Liang Jie. The evolution of economic thought by Liang Qichao // Front of Social Sciences. 2008. № 2. P. 88. (In Chinese)

as the development of the Western stock market, without taking into account one's cultural characteristics. He believed that the Chinese stock market at that time still lacked moral and ethical standards, such as honesty, responsibility, as well as political and legal norms, such as the supremacy of laws and rights. He believed that integration of Western and Chinese economic cultures was necessary for the securities market to develop successfully. Liang Qichao tried to prove that the stock market and joint stock companies can operate effectively only if all economic agents comply with the rules of law and moral and ethical standards. In addition to modernizing the legal system, he believed that it was important for joint-stock companies to comply with ethical standards - first of all, responsibility to shareholders and society. It is equally important to strengthen corporate moral education in joint-stock companies and stock market participants, and establish a Chinese stock market institution under the joint management of "the rule of law and rights" and the "rule of morality." Liang Qichao believed that the most important types of securities for China were treasury bonds and stocks. Treasury bonds could, in his opinion, both absorb excess free financial resources, as well as provide ordinary citizens with good opportunities for investing their own funds, and create conditions for increasing tax revenues to the state treasury, reducing the budget deficit. Once the shares are listed on the securities market, it not only improves the efficiency of using society's financial resources, but also for the companies themselves, the shares are a kind of long-term investment, which reduces the financial burden of the company and provides additional income to shareholders. Due to the importance of securities for economic development, Liang Qichao called for the creation of a Chinese people's stock exchange, including taking into account Western practices in organizing such exchanges.⁶⁰

Kang Youwei's thoughts on securities are presented in his work "Saving the Nation through Financial Management," published in 1913. The main ideas

⁶⁰ Li Jianlin. Cultural reconstruction of the Chinese securities market // Study of economic problems. 2001. № 8. P. 55. (In Chinese)

of the book are the importance of “effectively using banks” and “effectively using non-cash transactions.” He believed that as long as there was a choice of bank credit systems and bank credit networks, as in developed capitalist countries, banks could be used to promote economic development through the controlled issue of banknotes (recall that until the 1930s, medieval silver bars and coins) and government bonds.⁶¹ Kang Youwei believed that the establishment of stock exchanges and securities markets could promote the circulation of shares, and the circulation of shares would inevitably increase money capital, thereby promoting economic development. At the same time, the stock market can also encourage owners to improve business management and promote the prosperity of industrial and commercial enterprises. Liang Qichao, Kang Youwei and other similar reformers of that era significantly influenced the formation of the securities market in China, first of all, by proving to Chinese society its necessity and importance for further economic development.⁶²

In 1914, the Beiyang government published China's very first Stock Exchange Law. In 1918, the first stock exchange, the Beiping Stock Exchange, opened for full-time trading mainly in bonds, stocks and foreign exchange.⁶³ The creation of the exchange contributed to the further development of the securities market, making traders, brokers and exchanges involved in trading securities profitable economic actors. The temptation to make quick profits also caused a wave of creation of stock exchanges and trust companies, and by that time there were already more than 100 stock exchanges in the country.⁶⁴ However, after years of continuous war, government bonds became the government's main instrument for obtaining funds for military expenditures, and vested interests and businessmen took advantage of the chaos to speculate in

⁶¹ Zhang Chongting A Brief History of the Development of China's Securities Market (Republic of China Period) // Bulletin of the stock market. 2021. № 5. P. 45. (In Chinese)

⁶² Li Junming. The influence of the historical development of the American securities market on the Chinese securities market // Finance in Hebei. 2002. No. 12 P. 33. (In Chinese)

⁶³ Song Shiyun. Preliminary study of the Chinese securities market during the early Republic of China // History Monthly. 1999. № 5. P. 109. (In Chinese)

⁶⁴ Cheng Juyan. Zhu Wuxiang. The emergence and evolution of stock market regulation in modern China: 1873-1949 // Economic Research. 2006. № 12. P. 114. (In Chinese)

stocks and bonds for their own benefit, thereby seriously impeding the healthy development of the securities market. For example, during the war with the Japanese Empire, government bonds became the main source of income due to the lack of direct tax revenues during wartime.⁶⁵ From 1937 to 1945 The government issued domestic government bonds 19 times, totaling up to 22.3 billion yuan, and overseas bond issues reached more than 700 million US dollars.⁶⁶ According to statistics from the General History of Finance of China for 109 years from 1840 to 1949. Before the founding of New China, there were 10 stock market crises in China, accounting for 40% of the total number of all financial crises during this period.⁶⁷

However, after the founding of New China, the stock exchanges were closed. With the liberation of Tianjin, Beijing and Shanghai, in order to curb the financial chaos caused by the actions of financial speculators, with the approval of the central government, local people's governments decided to nationalize or close the stock exchanges altogether. So the Shanghai Stock Exchange building was closed on June 10, 1949.⁶⁸ True, in order to increase the flow of finance into the budget, the newly created Tianjin Stock Exchange reopened on June 1, 1949, and in February 1950, with the approval of the central government, the Beijing Stock Exchange opened. However, less than a year later, both exchanges were closed completely and for a long time.⁶⁹

⁶⁵ Changhe. Special currencies and bonds issued during the anti-Japanese war in China // Financial Bulletin. 2005. No. 8. P. 57. (In Chinese)

⁶⁶ Wuwei. Review of research on the development of China's economy from 1999 to 2000 // Research on the economic history of China. 2001. № 2. P. 107. (In Chinese)

⁶⁷ Sun Jianhua. Causes of constant crises in the modern Chinese securities market // Journal of the Central Southern University. 2010. № 5. P.83. (In Chinese)

⁶⁸ Van Gogan. Chinese financial system over the past 70 years: a brief history, brilliant achievements and experience // Economic theory and economic management., 2019. № 7. P. 4. (In Chinese)

⁶⁹ Zhang Chongting. A brief history of the development of the Chinese securities market (the period before reforms and opening of the economy) // Stock Market Bulletin. 2021. No. 6. P. 34. (In Chinese)

Stage 4. Transformation of the stock market in the context of new political norms (unification of socialism with a market economy)

After the reform and opening-up policy began in 1978, the stock market in China was restored again. It has become one of the most important links in the process of gradual transition of the Chinese economy from a planned to a market system. In 1984, the Chinese company Feilo Acoustics issued 10,000 shares at a par value of 50 yuan per share.⁷⁰ The news caused more of a sensation abroad than at home, and was perceived as a signal of the beginning of the implementation of reform and opening up policies in the development of China's financial market. On the first day, the shares were sold out in less than an hour and a half.⁷¹ Establishment of the Shanghai Stock Exchange and Shenzhen Stock Exchange in the early 1990s. became an impetus for the revival of China's national stock market and the formation of a single regulator of this market. At that time, there was debate about whether China would even be able to develop its own national stock market. In 1992, Deng Xiaoping made a decision on the securities market in China. He said: "Securities and the stock market. Are they good, are they dangerous? Are they unique to capitalism? Socialism – can it be combined with a market economy? You can answer these questions yourself, you must try decisively."⁷²

By now, securities trading has become a very common investment tool for the Chinese. Securities such as stocks and bonds fully correspond to the traditional Chinese ideas about investing in a quiet life and countering possible risks in the future (savings, preserving funds), at the same time they allow satisfying the needs of Chinese citizens to improve their standard of living

⁷⁰ Wang Nianyong. Historical features of the development of the Chinese stock market from 1980 to 1991 // Journal of Zhongnan University of Economics and Law. 2005. № 5. P. 92. (In Chinese)

⁷¹ Wang Nianyong, Historical stages of development of the Chinese securities market at the early stage of reform and opening up // Journal of Zhongnan University of Economics and Law. 2006. № 4. P. 115. (In Chinese)

⁷² Sun Dongxue. History of the development of the Chinese securities market: a microcosm of Chinese reforms and openness // Finance and Insurance. 2009. № 11. P. 40. (In Chinese)

through making a profit from investments and joint enrichment through cooperation on the stock market.⁷³

After Deng Xiaoping's famous speech in 1992, China set itself a new goal of economic system reform: “building a socialist market economy.” In just three days after the speech, share prices on all Chinese exchanges rose by 570%, and the stock activity index reached 1,429 points. Trading any securities was almost immediately perceived as something that could help you “get rich overnight.” However, in order to standardize and streamline the operation of the stock market, the government established a securities market supervision department, the China Securities Regulatory Commission, and a unified system for supervising the Chinese securities market was formed. After July 1993, in anticipation of the “overheating of the economy,” China carried out “financial consolidation” and separated financial institutions from the real enterprises they own, as well as separating banking, securities, and insurance as separate areas of economic activity. and implementation of trust transactions. As a result, a financial system was formed with separate transactions and a separate system of supervision over them.⁷⁴

To protect the rights and interests of investors, curb speculation and prevent sharp fluctuations in stock prices, the government began issuing relevant orders. For example, on October 5, 1994, the Securities Commission of the State Council of the People's Republic of China decided to abolish the T+0 transaction from 1995 and implement the T+1 transaction system to limit bilateral transactions within one day.⁷⁵ In December 1996, the maximum daily rise and fall in stock prices was set at 10% to prevent excessive fluctuations in stock prices within a single day. On December 15, 1996, the People's Daily published a high-profile commentator's article pointing out excessive speculation in the

⁷³ Du Xiaotong. Features and stages of formation of the stock market in China // Society. Wednesday. Development. – 2023. № 3. P. 18.

⁷⁴ Liu Li. Monuments of the securities industry in New China (1949~2001) (Part 1) // Studies in the modern history of China. 2003. № 1. P. 76. (In Chinese)

⁷⁵ Zhu Hongbin. Zhang Bin. The influence of the T+1 trading system on the Chinese stock market // Microstructure. 2020. № 8. P. 22. (In Chinese)

stock market and calling for its further regulation.⁷⁶ In July 1999, the “Securities Law” was adopted to further regulate the behavior of economic agents in the market and protect the rights and interests of investors.⁷⁷

Since 2001, a period of continuous reform has begun in the securities market. At this stage, a delisting system was introduced to form a market mechanism to regulate the process of “survival of the fittest.” On April 23, 2001, the first delisted company, PT Narcissus, appeared.⁷⁸ In December 2002, the "Temporary Measures for the Management of Domestic Securities Investment by Qualified Foreign Institutional Investors" began to be officially implemented, which actively implements foreign professional investment institutions and promotes the internationalization of China's securities market.⁷⁹ In 2004, the SME Council was created to address financial difficulties for SMEs.⁸⁰

In 2005, the reform of non-tradable shares was launched. The reform of non-tradable shares was implemented in response to the phenomenon of unequal ownership due to the coexistence of tradable and non-tradable shares in the capital of listed companies in China. There has long been a problem with unequal share ownership. Gradually, the difference between non-tradable shares and traded shares is erased, the securities market becomes more active, and the effect of stock market reform is obvious.⁸¹ The Chinese stock market has begun to enter a new stage of its development, this time growth can be described as unlimited.⁸²

⁷⁶ Shi Guangping, Liu Xiaoxing, Yao Dengbao, Zhang Xu. Self-confidence, market liquidity and speculative bubble // *Management*. 2018. № 3. P. 63. (In Chinese)

⁷⁷ Liu Li. Monuments of the securities industry in New China (1949~2001) (Part 2) // *Studies in the modern history of China*. 2003. № 2. P. 59. (In Chinese)

⁷⁸ Hao Yushi, Zhou Gexu, Wu Lingling. Study of the current situation and delisting system of A-shares in China // *Capital Market*, 2021. № 1. P. 12. (In Chinese)

⁷⁹ Geng Qun. Chinese QFII system and analysis of its impact // *Chinese Economic and Financial System*, 2002. № 12. P. 43. (In Chinese)

⁸⁰ Li Yanqing. Measures to develop and improve associations of small and medium-sized businesses in China // *Heilongjiang foreign trade and economic cooperation*. 2008. № 3, p. 112. (In Chinese)

⁸¹ Chen Yanhong, Tang Fanhua. The impact of the merger reform on the securities market // *Financial management*. 2017. № 8. P.133. (In Chinese)

⁸² Gao Wu. Empirical study of a new round of irrational prosperity of the Chinese stock market // *Journal of Hunan City University*. 2007. № 10. P.52. (In Chinese)

In 2009, GEM was created as a complement to the main board to provide financial support to innovative and growing enterprises and provide a new impetus for the development of financial enterprises. In 2010, margin financing and securities lending were launched to fill the gap in the short-trading mechanism in the stock market. That same year, stock index futures were put up for trading, and since then, whether stock prices rise or fall, there is always money to be made in the market. In 2013, a new third list was opened, targeting unlisted companies with fast listing times and low market entry barriers, and effectively solving financial difficulties for small and medium-sized enterprises.⁸³ The opening of Shanghai-Hong Kong Stock Connect in 2014 and Shenzhen-Hong Kong Stock Connect in 2016 has brought great convenience to investors in both Hong Kong and the mainland.⁸⁴ In June 2019, the Science and Technology Innovation Council of the Shanghai Stock Exchange was officially launched to promote the development of technology innovation-oriented enterprises.⁸⁵ On August 24, 2020, the Board of Directors of Shenzhen ChiNext Stock Exchange reformed and piloted a new registration system, marking the comprehensive deepening of financial market reform.⁸⁶ In February 2021, the China Securities Regulatory Commission announced the merger of the boards of the Shenzhen Stock Exchange. And on September 3, 2021, the new Beijing Stock Exchange was registered and established, while a pilot registration system was launched for retail investors to operate on it. On February 17, 2023, the China Securities Regulatory Commission issued rules to implement the share

⁸³ Zhang Xindong, Xue Haiyang/ Comparative Study investments in NEEQ and GEM innovations // Scientific research. 2021. № 2. P. 162. (In Chinese)

⁸⁴ Chen Bing. The influence of “Shanghai-Hong Kong Stock Connect” on the warning about the risks of the Chinese stock market // Financial Bulletin. 2022. No. 8. P. 45. (In Chinese)

⁸⁵ Chen Dingjun. Research of the market of scientific and technological innovations, the main stock markets of Shanghai and Shenzhen and the market of growing enterprises // Financial literature. 2023. No. 3. P. 10. (In Chinese)

⁸⁶ Qian Zongxin. Research on a comprehensive registration system and deepening stock market reform // Finance and Economics in Focus, 2023. № 4. P. 76. (In Chinese)

issue registration system, leaving the choice to the market but increasing market and legal restrictions.⁸⁷

As of May 24, 2023, the number of companies listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange reached 5043.⁸⁸ Among them, there are 2,257 companies listed on the Shanghai Stock Exchange (including 1,730 on the Shanghai Main Board and 527 on the Shanghai Science and Technology Innovation Chamber); and 1263 in ChiNext Board),⁸⁹ with a total market value of 83 trillion yuan. The number of investors exceeds 217 million, and China's financial capital market has already reached significant proportions.⁹⁰

Thus, the development of the securities market in China has gone through several stages in accordance with the classification proposed in this dissertation research: prerequisites for the formation of the stock market in China; the formation of the stock market under the influence of Western economic culture; the emergence of the Chinese stock exchange - the integration of Western economic culture and Chinese traditional economic culture in the stock market; transformation of the stock market in a new institutional and political environment (socialist market economy with Chinese characteristics).⁹¹ Appendix 5 provides a documentary historical background on the development of the stock market in China. Capitalist relations and economic ideas brought to China by Western investors were repeatedly transformed, and Western economic culture gradually assimilated and merged with traditional Chinese values of

⁸⁷ Luo Dangling, Lin Chuanwen, He Kun, Yang Wenqian. Development of the Beijing Stock Exchange: problems, causes and countermeasures // Accounting Monthly. 2023. No. 12. P. 12. (In Chinese)

⁸⁸ Shenzhen Stock Exchange official website. Stock market statistics [Electronic resource] URL: <http://www.szse.cn/market/index.html> (access date: 05.24.2023) (In Chinese)

⁸⁹ Official website of the Shanghai Stock Exchange. Market overview Shanghai Stock Exchange. [Electronic resource] URL: <http://www.sse.com.cn/market/view/> (access date: 05.24.2023) (In Chinese)

⁹⁰ Official website of China Depository and Clearing Corporation Limited [Electronic resource] URL: http://www.chinaclear.cn/zdjs/tjyb2/center_tjbg.shtml (date access: 05.24.2023) (In Chinese)

⁹¹ Du Xiaotong. Features and stages of formation of the stock market in China // Society. Wednesday. Development. – 2023. № 3. P. 20.

economic culture. Further development of the socialist market economic system requires further research into the Chinese securities market. The stock market of the People's Republic of China is constantly modernizing, which has already led to the formation of a complex, developed system of placement and trading of securities, with all its most modern attributes, a system that corresponds to the national, sociocultural, socio-economic conditions of modern China.

1.4. The impact of global transformations on the stock market in China

This paragraph examines the current stage of development of the stock market (see the transformation of the stock market in the previous paragraph) in China in the context of modern global economic transformations. The opinions of modern Chinese researchers about the consequences and risks of such transformations for the development of the Chinese stock market are analyzed. Modern scientists in China study the processes of global economic change from different points of view. The results of such studies are therefore of great interest for a comprehensive analysis of the social and economic features of the development of the stock market and financial system. The author comes to the conclusion that global economic changes create more opportunities for financial and economic openness and profit, but in connection with this, economic, social and political risks may increase. A comprehensive study of such risks, as well as an analysis of the reasons for their occurrence, are the subject of modern economic and sociological studies of finance in the PRC. The subject of such research is also the formation of recommendations to reduce the impact of the possible negative consequences of these risks on the economy and society.

To analyze modern global economic transformations since the end of the 20th century. in economic sociology, including in China, the very controversial term “economic globalization” is also used.⁹² Those social and economic problems and contradictions that accompany the processes of global economic transformations, also called “economic globalization,” orient modern scientists towards a theoretical rethinking of the role of these transformations in the development of world economic relations and the impact on the economies of individual countries.⁹³ An increase in interest in comprehensive studies of global economic changes and the risks associated with them was also provoked by the next cyclical economic crisis of 2008 - 2010, which also provoked a

⁹² Petrov A.V. Labor Culture in the Trap of Economic Globalization: View of Contemporary Economic Sociology // *Journal of Economic Sociology*. 2013. № 1 (1). P. 116-129.

⁹³ Petrov A.V. New Horizons for Learning and Teaching Economic Sociology in the Modern Higher Education: Theoretical Aspects // *Mediterranean Journal of Social Sciences*. 2015, vol. 6, № 6 S5. P. 24-29.

global recession and long-term instability in global markets, including global and local financial markets. Modern specialists in economic sociology actively criticize the once popular ideas of neoliberal economic globalization, as well as the ideas of its Western theorists, such as M. Castells, E. Giddens, W. Beck, R. Robertson, A. Appadurai and others, who at the turn of the century tried to prove, along with inconsistency, inevitability and objectivity of the so-called. "globalization". However, by the second decade of the 21st century. contradictions have accumulated, they manifested themselves in the next global economic crisis and its social, economic and political consequences, for example, a significant increase in global poverty, unemployment, a slowdown and suspension of wage growth for employees, instability in financial markets and production systems overly dependent on them. These contradictions and their consequences for different states and societies have called into question former positive theoretical assessments of the impact of global economic transformation processes. The growth of these problems and contradictions on a global scale has oriented researchers toward a more careful, comprehensive, comprehensive understanding of the real transformations behind the slogans of "global unification" or "global modernization" that were once actively promoted by liberal globalists.⁹⁴

Researchers of complex global and local processes of socio-economic development have drawn attention to the fact that in reality modern global economic changes include a number of contradictory processes that have absolutely ambiguously interpreted and very serious, negative socio-economic consequences for all countries in the modern world economic system. Much also depends on the position of a particular country in the structure of the international division of labor, which also may not help mitigate these consequences. And it is precisely modern critical studies of the international division of labor that finally dispel all the myths about the positivity of the

⁹⁴ Du Xiaotong. Development of the Chinese stock market in the light of modern studies of the problems and contradictions of economic globalization // Society. Wednesday. Development. – 2023. № 2. P. 24.

processes of global “unification”, “universalization”, “integration” of different societies and economic systems.⁹⁵ Contemporary Chinese economists and sociologists are also focused on a comprehensive analysis and critical perception of global economic changes and urge caution in the use of controversial terms such as “economic globalization” to refer to and study them. That is why their works and theoretical ideas are also of significant interest for the analysis of social and economic features of the functioning and development of the stock market.

A significant increase in the relevance of research on global economic changes, caused by the above reasons, has made non-trivial approaches to the sociological analysis of these changes popular. This approach was inspired by the ideas of the famous American sociologist I. Wallerstein. The originality of his ideas is based on a specific historical and sociological method for studying global changes, which, in his opinion, cannot be associated only with those economic processes that characterize the system of international division of labor over the last 50 or even 100 years. And it is even more difficult to apply scientifically meaningless terms such as “globalization” to the analysis of these changes. I. Wallerstein believed that the modern world system of economic relations, or, as he also called it, “historical capitalism,” is a system that began to take shape in the 15th – 16th centuries. It has its own special patterns of development, and each stage of its formation is also characterized by its own characteristics. The peculiarity of the most recent stage in the formation of this system (the last 100 - 150 years) lies, in particular, in the growing influence of transnational financial and industrial groups, primarily in the expansion of the influence of international financial organizations.⁹⁶ However, the main characteristic of international economic relations and the division of labor - the inequality of countries and societies - persists to this day, which leads to periodic

⁹⁵ Petrov A. V. " Globalization" of the economy: social and political aspects. St. Petersburg: St. Petersburg University Publishing House. 2009. P. 14.

⁹⁶ Wallerstein I. The End of the World As We Know It: Social Science for the Twenty-First Century. M.: Logos, 2003. P. 33.

world economic crises, with their serious consequences for different countries. It is for this reason that specialists studying the interaction of economy and society at the global and local levels need to study these long-term processes of transformation and the specifics of their impact on national economies. It is important to take into account the fact that many scientists initially associate global economic transformation processes with financial globalization, for example, with the global spread of universal instruments and stock market structures.⁹⁷

Similar ideas about the dynamics of global economic processes are characteristic of the research of such modern Chinese economists as Yang Dian and Ouyang Xuanyu. They are also convinced that the centuries-long expansion of financial capitalism on a global scale allowed it to overcome state borders and provoke a process of global “monetization” and marketization of social relations. And the socio-economic consequence of this process was the separation of the development of the financial market from the development of people’s everyday economic life. At the same time, the expansion of financial institutions of global capitalism has a negative impact on national economies, trade unions and civil society institutions, suppressing them and exacerbating socio-economic problems, such as: a global employment crisis, growing differentiation of the population by income level, structural inequality in the development of different industrial sectors. sectors of the economy in the countries of the core and periphery of the global capitalist system.⁹⁸ The implementation of the policy of reform and opening up in China has opened the Chinese financial market to international financial organizations, which undoubtedly gave impetus to the development of this market and increased the competitiveness of Chinese enterprises, but also gave rise, in turn, to new social and economic contradictions.

⁹⁷ Du Xiaotong. Development of the Chinese stock market in the light of modern studies of the problems and contradictions of economic globalization // *Society*. Wednesday. Development. - 2023. № 2. P. 25.

⁹⁸ Yang Dian and Ouyang Xuanyu. The emergence of financial capitalism and its influence - a sociological analysis of a new form of capitalism // *Journal of Peking University* - 2018. № 12. P. 116. (In Chinese)

For example, Chinese sociologists Huang Ping and Li Qize, based on a comprehensive statistical and sociological analysis, established a correlation between the rate of development of the stock market in China and the growing differentiation in income and standard of living of Chinese citizens. Moreover, the lower the income of Chinese families, the more distrustful the Chinese are towards the development of the stock market in the country. And this attitude, of course, influences the growth in the number of retail investors.⁹⁹

You can get rid of contradictions when assessing the impact of global economic transformations if you rely on Marxist political economy in your analysis. So, for example, says Chinese researcher Yang Xuegong, who proposed a new interpretation of the term “economic globalization.”¹⁰⁰ He is confident that the process of economic globalization cannot be interpreted exclusively and only as a process of elementary Westernization of the economies of non-Western societies. This is too one-sided. Of course, it is impossible to deny the role of the expansion of Western financial capitalism on a global scale. But it is also important to pay attention to the productive forces and production relations, and their dialectics, their development, because their features depend on each specific society, its capabilities and aspirations, and not only on global capitalism and the division of labor.

Experts note the steady and very rapid growth of the financial market in China during the reforms. At the new stage of reforms aimed at creating a socialist market economy, from 1990 to 2010, the number of companies listed on Chinese exchanges increased from 8 to 1947, i.e. in just two decades their number increased several hundred times!¹⁰¹ As of 2023, there are already 4,761 registered financial companies in China.

⁹⁹ Huang Ping, Li Qize. Economic globalization, possession of financial resources and property inequality of citizens // Foreign social sciences 2020. No. 3. P. 49. (In Chinese)

¹⁰⁰ Yang Xuegong. Multiple dimensions and the essence of globalization // Journal of Peking University. - 2005. № 4. P. 27. (In Chinese)

¹⁰¹ Analysis of the current status and trends of China's securities industry in 2020. [Electronic edition]. URL: <https://zhuanlan.zhihu.com/p/475656647> (access date: 04/25/2023) (In Chinese)

Another researcher of global transformations, D. Rodrik, in his monograph “The Paradox of Globalization” rightly argues that global economic changes cannot be interpreted exclusively as useful and positive for all countries and societies, since there are much more negative aspects of their deployment in modern conditions. And there is no need at all to use any unified model of economic development; on the contrary, what is important now is to rely on your own economic and social experience in implementing changes. We need our own development model.¹⁰² The same reflections can be found in the works of modern Chinese sociologist Hu Huilin. He, in particular, asserts the need to use a policy of protectionism and protection of national interests in various spheres of life, not only in regulating the economy.¹⁰³

A detailed study of the influence of global processes on nation states was presented by the famous Chinese sociologist and political scientist Cai Tuo. In particular, he came to the conclusion that the system of modern societies is a single complex organism. But this does not mean that nation states do not have their role in this organism. On the contrary, more and more aspects of social, economic and political life now depend on states. It is states that are the core of modern social development, and this fact must be taken into account in modern studies of global transformations.¹⁰⁴ Cai Tuo, in a study on the topic: “The Chinese approach and practice of global governance,” put forward the idea that it is now important to form a model of global regulation that would allow each state to implement its own path of development.¹⁰⁵ For example, in any case, in the current conditions of the global crisis, each state will be forced to abandon universal solutions and create its own vision of the prospects for the

¹⁰² Rodrik D. The Globalization Paradox: Democracy and Future of the World Economy. M.: Institute of Economic Policy named after E. T. Gaidar. 2014. P. 28.

¹⁰³ Hu Huilin. Cultural Industry Development and National Cultural Security - Reflections on the development of China's cultural industry in the context of globalization. // Academic quarterly journal of the Shanghai Academy of Social Sciences - 2000. № 2. P. 114. (In Chinese)

¹⁰⁴ Tsai Tuo. Globalism and nation states. // Journal of Chinese Social Sciences - 2000. - № 3. P. 18. (In Chinese)

¹⁰⁵ Tsai Tuo. Chinese perspective and practice of global governance. // Journal of Chinese Social Sciences - 2004. № 1. P. 96. (In Chinese)

development of the financial sector and its impact on changes in the economic sphere.

As part of modern sociocultural studies of global transformations, Chinese culturologist Ma Guoqing put forward the idea that global sociocultural processes are already having a great impact on strengthening the cultural identity of different societies and local communities. For example, the economic activity of the Chinese in various modern states and societies is based on cultural communications within the Chinese diaspora and on the strong ties of this diaspora with China. These communications rely on social networks (in a broad sense) that unite Chinese citizens working abroad and companies created by Chinese in other countries. And the field of financial communications is no exception.¹⁰⁶

Sun Guoqiang, a researcher of the processes of global economic transformations, generally considers it possible to identify them with the process of globalities and their national economies entering global markets. He is confident that the integration of the PRC economy into the structure of the world economy has had a significant impact on increasing the role, status and influence of China in this structure, from which the country has received certain benefits. At the same time, from a historical point of view, the researcher distinguishes 3 stages of this integration: 1978 - 2001, the first stage, as a stage of partial integration while maintaining the closedness of the country; 2001 - 2008, the second stage, as the stage of comprehensive integration of the PRC into the system of world economic relations, accompanied by accession to the WTO in 2001, when more than 3,000 laws in the PRC were repealed or revised, and the creation of the so-called. "open economy"; from 2008 to the present day, the third stage, when rapid economic growth began, accompanied by the same rapid strengthening of the position of the PRC in the world economy. Although we must not forget that despite the success of such integration, it also had a

¹⁰⁶ Ma Guoqing. Globalization: cultural production and cultural identity - ethnic groups, local communities and transnational cultural circles // Journal of Peking University 2000. No. 4. P. 152. (In Chinese)

downside - the increasing dependence of the Chinese economy on external global markets.¹⁰⁷

The direct impact of global transformation processes on the Chinese stock market was analyzed by Chinese economist Sun Li in his work “Fundamentals of the QFII system¹⁰⁸ and its application in the Chinese securities market.” The use of this system in the PRC has enabled institutional investors to transact certain permitted amounts of money in foreign currencies, subject to government-defined rules and restrictions, into RMB for investment in the local stock market. The introduction of this specific system brought a significant number of foreign institutional investors to the Chinese stock market, thereby beginning a new era of its development in the PRC. There is more financial openness. And also the concept of long-term investment was formed.¹⁰⁹ However, despite the positive nature of changes in the institutional environment for the functioning of the stock market in the PRC, problems remain in the development of its sociocultural component. For example, an important sociocultural aspect of the development of the stock market is the level of knowledge of its participants, especially retail investors. The level of knowledge is not always high and often does not meet the requirements of today. That is why, for effective adaptation to the stock market, long-term and high-quality training in modern features and mechanisms of its functioning is necessary.

It is also impossible to ignore the fact that the openness of the stock market is not always synonymous with increasing the efficiency of its operation. We should not forget that foreign investors always pursue their own interests, and in a global crisis, national stock markets cannot be absolutely protected from their speculative actions. That is why state regulation of the processes of functioning and development of the stock market is relevant for all countries,

¹⁰⁷ Sun Guoqiang. China's dividends from globalization and its future // Journal of Social Sciences Guizhou. 2014. No. 6. S.5. (In Chinese)

¹⁰⁸ QFII (Qualified foreign institutional investors) are qualified foreign institutional investors.

¹⁰⁹ Sun Jianhua. Causes of constant crises in the modern Chinese securities market // Journal of the Central Southern University. 2010. No. 5. pp.83 - 87. (In Chinese)

including China, whose leadership has always paid great attention to protecting the economic interests of the country.

According to statistics from the World Federation of Exchanges (WFE) and the Securities Industry and Financial Markets Association (SIFMA), over the past 20 years, the total market value of the global stock market has almost tripled, with the total market value exceeding US\$100 trillion. As of 2023, the total value of the world stock market will reach 109 trillion US dollars, (or about 10,137 trillion rubles)¹¹⁰.

Country	Total market value (trillion dollars)
USA	46.2
European Union	12.1
China	11.5
Japan	5.8
Hong Kong	4.3
Great Britain	3.2
Canada	3.0
Australia	1.7
Singapore	0.6
other developed markets	10.2
other emerging markets	10.0
Итого	108.6

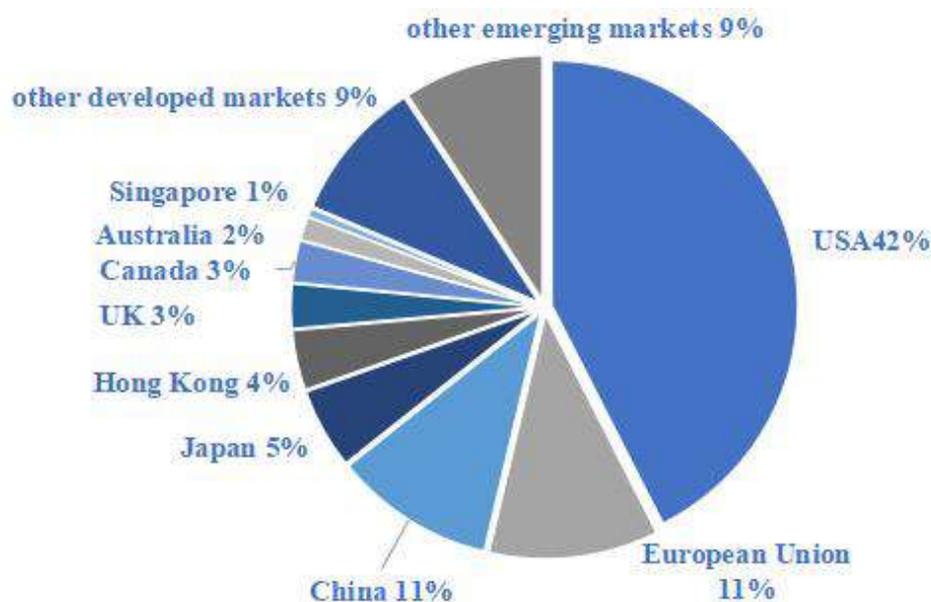
Fig.1. Total market value of the world's major stock markets in 2023

Source: Official website of China Depository and Clearing Corporation Limited (中国证券登记结算有限责任公司官网) [Electronic resource]. URL: http://www.chinaclear.cn/zdjs/tjyb2/center_tjbg.shtml (access date: 02.21.2024) (In Chinese)

The United States ranks first in the world in terms of total stock market value, with assets accounting for 42.5% of the total world market value, with a total market value of assets of more than \$46.2 trillion. The second largest stock

¹¹⁰ Official website of World federation of exchanges [Electronic resource] URL: <https://www.world-exchanges.org/> access date: 02.21.2024)

market is the European Union, accounting for 11.1%. Next comes China, its share is 10.6%¹¹¹



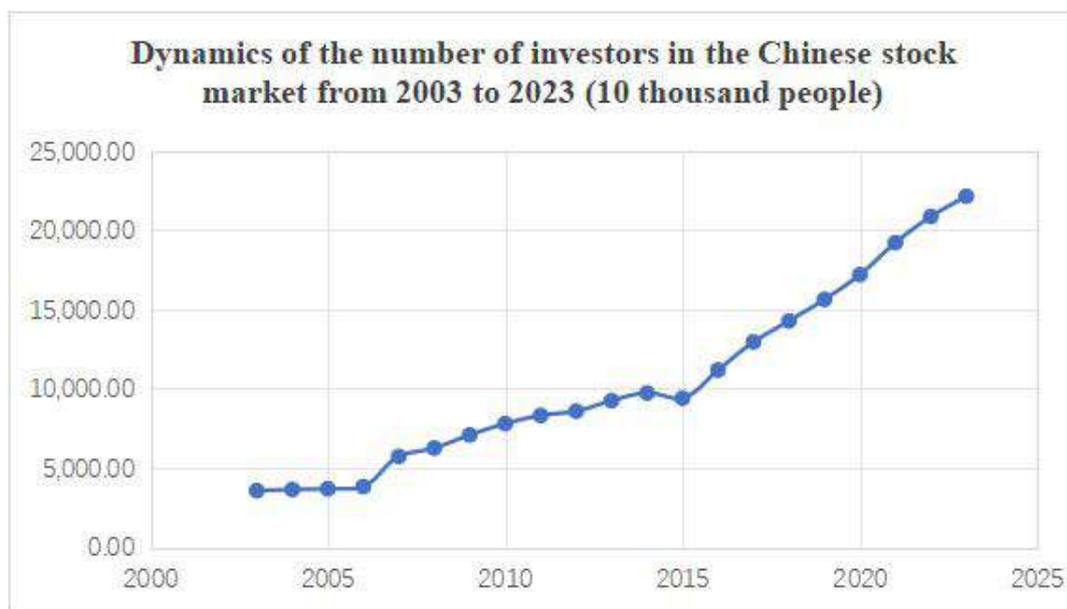
Rice. 2. Share of countries in the global stock market in 2023

Source: Official website of China Depository and Clearing Corporation Limited (中国证券登记结算有限责任公司官网) [Electronic resource]. URL: http://www.chinaclear.cn/zdjs/tjyb2/center_tjbg.shtml (access date: 02.21.2024) (In Chinese)

Since the recovery of China's stock markets in the 1990s to becoming the third largest stock market in the world, the Chinese stock market has gradually increased its influence and share. As of January 2024, the number of investors in China's stock market was 221.41 million (see Figure 3), the average daily trading volume was about 1 trillion yuan, and the total market value of the stock market increased from 4 trillion yuan in 2003 to 68 trillion yuan in 2024 (or about 884 trillion rubles)¹¹².

¹¹¹ Official website of China Depository and Clearing Corporation Limited (中国证券登记结算有限责任公司官网) [Electronic resource] URL: http://www.chinaclear.cn/zdjs/tjyb2/center_tjbg.shtml (date of access: 02/21/2024)(In Chinese)

¹¹² The official website of the Chinese depository and clearing corporation with limited liability (证券登记有限责任公司官网) [Electronic resource] URL: http://www.chinaclear.cn/zdjs/tjyb2/center_tjbg.shtml (access date: 02/21/2024)(In Chinese)



Rice. 3. Dynamics of the number of investors in the Chinese stock market over the past 20 years from 2003 to 2023.

Source: Official website of China Depository and Clearing Corporation Limited (中国证券登记结算有限责任公司官网) [Electronic resource]. URL: http://www.chinaclear.cn/zdjs/tjyb2/center_tjbg.shtml (access date: 02.21.2024) (In Chinese)

Indeed, the processes of global economic transformation (no matter how they are named and interpreted by different researchers) have seriously influenced investment processes in different countries, the distribution of investment capital between different markets. But we can already say that over the past 20 years of reforms, China has become one of the leading players in the global financial services market.

The results of theoretical studies have shown that for the development of the national stock market it is necessary to take into account all global trends in economic changes. At the same time, it is very important to pay attention not only to the positive aspects of global economic integration processes, but also to their reverse side, to those social and economic problems that accompany the processes of global economic transformations and changes in the global financial structure.¹¹³

¹¹³ Du Xiaotong. Development of the Chinese stock market in the light of modern studies of the problems and contradictions of economic globalization // Society. Wednesday. Development. – 2023. – № 2. – P. 27.

CHAPTER II. EMPIRICAL ANALYSIS OF SOCIOCULTURAL FACTORS OF INTERACTION OF ECONOMIC AGENTS IN THE CHINA STOCK MARKET

Empirical research program:

Main hypothesis: sociocultural factors influence the interaction and behavior of economic agents in the stock market.

Hypothesis-consequence 1: The Chinese stock market is significantly influenced by the processes of global economic transformation, and, at the same time, its development is an example of the glocalization process.

Hypothesis-consequence 2: In China, people prefer to be closer in relationships with clients or colleagues, because it is easier to work based on trusting relationships.

Hypothesis-consequence 3: Traditional Chinese culture (Confucianism, belief in “lucky numbers”, Chinese calendar, cultural symbols, etc.) influences investor behavior.

Hypothesis-consequence 4: The actions of participants in the stock market can mainly be attributed to value-rational ones.

Research methods

- Expert interviews with representatives of the stock market in China (12 experts). The goal is to analyze the general trends in the influence of sociocultural factors on the stock market from an expert point of view in order to better understand the characteristics of communications of different market participants.
- Online questionnaire survey of stock market investors in China, correlation analysis in SPSS (725 people, Questionnaire Star online platform). The purpose of the questionnaire is to identify the social needs of stock market participants, as well as to analyze sociocultural factors influencing the behavior of stock market participants, including an analysis of the relationship between different characteristics.

- Content analysis of interactive messages from investors in China (10,000 messages in the Tonghaushuna application for investors). The goal is to identify the specifics of social relations between stock market participants, analyze how Chinese culture is reflected in the language of messages on the stock market (analysis of appeals to stock market participants and frequently used phrases).

2.1. Sociocultural factors of interaction in the stock market: analysis of the results of an expert interview

During the study, experts were divided into three groups based on their experience in the stock market. 12 structured interviews with experts were conducted. The experts were:

- Experienced stock market workers holding senior positions (personnel in stock companies, government and other organizations)
- Professional stock market participants are people who earn money only in the stock market, that is, this is their profession. For example, employees of different funds, experienced investors.
- Customer service specialists with extensive experience (more than 5 years).

Expert interview guide in Appendix 1. Information about the experts is indicated in Appendix 2. An example of an interview transcript is in Appendix 3.

Personal experience and adaptation to the stock market

To better understand the personal experiences and characteristics of employees working in the securities markets, experts were asked the reasons why they chose to work in the industry and were asked to describe their work experiences. According to the experts' responses, working in the stock market has been a very good choice for employment in recent years, especially in the last 10 years, as working in the stock market has become a very popular field for university graduates and has attracted many successful graduates from prestigious universities in China, including, and graduates of prestigious foreign universities. The main reason is that working in a brokerage company allows young people to quickly improve their financial situation, receive income that significantly exceeds income from any other work activity, in the shortest possible time, feeling freedom in their material life. *"When I first started working at a brokerage company, I did work related to market development. I was lucky because the economy was booming and investing in stocks in the stock market was extremely profitable and it was easy for me to find new clients. In the*

second month of work, my salary doubled. And in the third month my salary doubled again. I really felt the high rate of earning in the financial industry and my efforts were well rewarded" (Expert 4). Secondly, broad prospects for self-development, good conditions for self-improvement, expanding the circle of friends and even the possibility of moving from one social class to another have become important attractive reasons for employees in brokerage companies to choose this particular field of work. "It's true that once you get into finance, especially after you do work related to listed companies, you meet all sorts of different and interesting people all the time. The personality qualities and social class of this group of people are very high, they can be called "real successful people". Communication with them gives many invaluable new and interesting ideas that help expand the economic horizons of any person" (Expert 7). The last important reason noted by experts was that precisely due to the rapid development of the economy and the stock market in recent years, this type of work activity has become widely accepted in Chinese society, which, for example, immediately gives high social status to university graduates. Many students try to get certified to work in the industry. "In my final year of undergraduate studies, all my classmates were trying to take more qualifying exams and get more certificates, which make it possible to find a good job after graduation. A certificate for employees in a brokerage company is considered popular among all certificates" (Expert 1).

However, almost all experts have more than 10 years of experience in the securities trading industry in China, and they came to work in the financial industry earlier. Accordingly, the socio-economic situation for them was different then. For more than half of the experts, the reason for their employment was not that they were optimistic about the prospects for the development of the securities trading industry, and also not to receive a high income, or to take advantage of the "social elevator". Their entry into the stock market was due to other circumstances. For example, *"I looked for a job for a long time after graduation, but did not find a suitable one. My classmate sent his resume to a*

brokerage company, and I sent an application for such a vacancy on his advice. I didn't even expect to be accepted, I just tried to send my resume" (Expert 4). "My specialty is international trade. All my classmates after graduation began working in trading companies or logistics companies. But my experience is very special. Then my institute signed an agreement with the bank that it would send a fixed number of graduates to work in banks, and the number of graduates in the specialty "accounting" was insufficient, so after graduation we were recommended to work in a bank. 2007-2008 was the starting point of the prosperity of the securities market in China, so I happened to encounter an expansion of the hiring scale in the securities trading industry, and I came to work in a securities trading company on the recommendation of my friend" (Expert 6). Two experts even noted that their choice to work at a brokerage firm was due to the fact that their fathers had been involved in securities trading for many years, that is, for family reasons. "When I was choosing my major at university, I chose a major similar to stock issuance analysis, called financial management, primarily because my father trades stocks all the time. After graduation, I got a job at a securities company" (Expert 3). "The reason is that my father is an "old" investor in the stock market, he started trading stocks a long time ago, but by the way, he lost a lot of money in the stock market, and he wanted me to make money and return the money back for him." (Expert 5). Only a few experts chose a job related to securities because they are optimistic about the development of the stock market and believe that this will give them new knowledge and the opportunity for self-development in this specific work activity. For example, "I am a person who follows my heart. This industry allows me to continue to learn and get closer to achieving the truth" (Expert 10). "I think the securities market is the industry that is most closely related to capital, the market and economic development. The prospects for this industry are very good, so I chose this job at that time" (Expert 11).

When it comes to definitions of the stock market and transactions, expert opinions are largely unanimous. The most commonly used words are "investment" and "financing". Overall, *"China's financial system is considered to be a system that was built from scratch." It is gradually developing. And the stock market is an important part of the financial system"* (Expert 8). Experts give a multi-level definition of the stock market. *"From the point of view of the functions of the stock market, it is an instrument of macroregulation by the state. In terms of the type of capital, stock market participants are divided into mutual funds, private placements, qualified foreign investors and private investors. Moreover, most private investors believe that the stock market is a place where you can get very rich"* (Expert 10). Many consider the stock market to be an important part of the financial system; the expert suggests that *"If we talk about finance, the bank is the basis of this system, since the bank provides indirect financing. The stock market is an important starting point for the country to integrate the financial system, modernize industry and provide direct financing to enterprises"* (Expert 6). Simply put, the stock market is a place where financial and investment opportunities are provided to market participants such as individuals, families, businesses and various organizations. At the same time, experts note that the Chinese stock market has been developing for only 30 years, since the early 1990s. Compared with the stock markets of developed countries in Europe and the United States, *"China's stock market is very young, the market structure and market system of finance are young and generally immature"* (Expert 2). Experts also note that *"as a place to provide investment opportunities, any behavior in this market is self-serving"* (Expert 7). In recent years, with the continuous improvement of government policies and stock market institutions, private investors have faced new challenges and many previous investment approaches and philosophies have been upended. *"Most investors think that stock trading is about picking bullish stocks, buying low and selling high"* (Expert 1). The structure of stock market participants is constantly changing due to the improvement of the institution; *"the decrease in the number of private*

investors is an irreversible trend. Both now and in the future, transactions are more and more carried out by computers, and it is increasingly difficult for private investors to win in such cases" (Expert 1).

Social prospects for participation in the stock market

To the question "what does the stock market give you and how has your experience in the stock market affected your life?" - experts most often mentioned the impact of working in a brokerage company on their investment philosophy and increasing financial professional knowledge. *"I think I have found a very interesting job. If a person works in this industry, then he is able to continue to learn on the job and constantly update his knowledge system. In fact, I didn't do very well at university before. But after I started working at a brokerage company, I realized that if I did not continue to study or studied poorly, I would be "expelled"..." (Expert 6). "The financial industry is at the forefront of the times, it supports my ability to self-learn and helps me become better and better in my specialty. At the same time, my job also allows me to learn how to invest. Now investing has become the goal of my life. I want to continue working in this profession and grow with the company" (Expert 10).* The second consequence of working in the stock market is high income, which is considered much higher than salaries in other industries. *"In general, the stock market is considered a prestigious industry because income is still high and most of the people we come into contact with are CEOs or the economic elite of society" (Expert 3).* But high income also means long working hours, for example Expert 5 noted that *"I think the most obvious change is that my hair is really thinning. This job is mentally demanding and the workload is heavy, and I need to continue to work outside of work hours as well. I usually rarely take vacations because I also need to answer clients' questions while on vacation, so there is not much difference between vacations and workdays."* Fierce competition is also an important characteristic of this type of work activity, *"the rapid development of the stock market makes it easy for you to lose your job if*

you are not willing or able to learn. I think that only those who have the ability to constantly improve themselves can continue to remain in this industry" (Expert 6). Some experts mention that working in a brokerage company greatly changes a person's character. "Before working in the stock market, I did not consider myself a person who knew how to communicate well enough with people. But I was forced to change my character at work. In addition, I feel a great improvement in my ability to resolve crises and various difficult situations. The last one is emotional management, because working in the securities industry is very stressful, I need to go back to my family every day after work, but sometimes I feel anxious. Although I do not want to bring stress from work home, it is sometimes difficult to control, since in fact my work involves constant communication with clients, sometimes even in the middle of the night I need to help clients with their problems in the stock market. On rare days off, I like to spend time with my close friends, which is a way to relieve stress" (Expert 4).

In addition, many experts noted that this work expanded their horizons, their understanding of the world, and their circle of social connections. Thus, the work helped them achieve self-improvement and increase their social status, penetrate into the economic elite of society, earn higher income, help their friends and clients in the complex investment process, etc. *"Constant work with listed companies allows you to get acquainted with a wide variety of people, usually they have a relatively high social status and extensive knowledge in the field of financial management. So you can learn a lot from them and expand your horizons" (Expert 7). "The impact is still great. First of all, this job gave me many opportunities to meet a wide variety of people, because my daily social circle was actually relatively small. But thanks to my work in the securities market, I can build communications with many people, such as owners of investment companies, ordinary migrant workers, pensioners, that is, with representatives of various walks of life. I can analyze their investment behavior, achievements or losses in investments to understand their investment strategies and market behavior patterns. My thinking changed a lot after I worked for a*

brokerage company for a few months. I obviously feel that I now have much more experience of communication than my classmates at university, and my knowledge and channels of information may be much wider. I received opportunities for self-development" (Expert 12).

Processes of global transformation and glocalization in the Chinese stock market

In response to the question "how has the stock market changed during your tenure?", most experts agreed that the Chinese stock market has gradually improved due to economic development over the past decades, and they shared their perceptions of the changes they have observed over the course of of his work activity. It is believed that the main changes in the market are in the following areas: 1) government policy and stock market institutions, 2) employees of brokerage companies, 3) investors.

In recent years, the government, as part of its securities market regulation policy, has introduced a number of laws and regulations and improved the system of supervision and management of stock markets, as a result of which the Chinese market has gradually developed into an integrated financial system characterized by large scale and high liquidity. *"The number of listed companies is getting larger, the transaction volume is getting bigger, and the transaction fees are getting lower. The government policy for regulating the stock market is improving step by step, then step by step it is expanding and the market is opening up to foreign investors" (Expert 6).* At the same time, the securities market industry and employees in this industry also need to adjust the direction of their activities and work content to cope with changes in the stock market. *"The core activities of the company have changed. Previously, the main activity was trading shares, but now asset management, that is, selling funds, is becoming more important. Investors have gradually shifted from buying and selling stocks to buying funds. Over the past three years, investors have grown very quickly, their investment philosophy has changed a lot, and their*

understanding of investments has improved significantly" (Expert 1). According to experts, in recent years the structure of investors and their investment strategies have undergone enormous changes. "When I first started in this industry, our company still had a large account room for clients because clients visited brokerages regularly. I had to help clients turn on their computers, pour water, and brew tea for them every day. At that time, these were mainly private retail investors. I think the changes have been quite big. Many retail investors are now buying more funds and fewer stocks than before, and the amount of money that is actually used for stock speculation is not as large as before" (Expert 3). "I feel that the current market pricing is more reasonable and rational than before. After all, it is true that in recent years, private investors have begun to invest in highly qualified investment companies" (Expert 7). We can say that both sides - the stock market and its participants - are gradually maturing. However, it should be noted that reforms and government regulation have posed new challenges for market participants. "Generally speaking, investing in securities is a concentration of interests, and the money of ordinary people will be concentrated in the hands of a small number of people - a privileged layer" (Expert 8). "I feel that the changes in the market are reflecting well on my clients. The biggest change in the market is that my clients can no longer just make money, which has nothing to do with market conditions. Since the number of professional investment companies is constantly increasing, it may be much more difficult in the future to make money for my clients" (Expert 9). "As the market has changed, my investment philosophy has also changed. I think it's now easier to make money consistently with long-term investing than with other investment strategies. The overlapping of various factors makes it more difficult for individual investors to achieve acceptable returns" (Expert 11).

In addition, according to experts, global transformations have had a great influence on the formation and development of the Chinese stock market,

institutional and industry norms, investment concepts of investors and even the values of stock market participants. With inclusion in the process of global transformation, China is becoming more and more open. Many seek to actively attract foreign capital. From an institutional perspective, China's stock market is a consequence of these changes. *"The stock market itself is an imported product and a product of globalization" (Expert 7), "its main impact is to allow investors from different countries to participate in investments in securities in different countries" (Expert 11).* From the point of view of market participants, the influence of foreign funds and foreign professional investors on the stock market cannot be ignored. *"Indicators that we must study every day are the influx of foreign capital and funds oriented from south to north. I think the south-to-north funds reflect the global view of the Chinese market" (Expert 9). "Particularly good assets have very large declines in bear markets, incredible prices. After the introduction of foreign capital, when the market falls, foreign capital will be more rational in purchasing highly liquid assets, and the market will fall less. Thus, foreign capital is actually gradually influencing the philosophy and values of stock market participants in China. To a certain extent, global transformations are directing the stock market towards more reasonable asset valuations" (Expert 7).* From the point of view of employees in brokerage companies, the requirement for foreign education and at the same time knowledge of local specifics by employees (including acquaintance with the heads of listed companies, information about the real state of listed companies) are a typical example of the influence of global transformations and globalization. *"Once foreign funds come to China, they usually try to build a local team. The managers of such foreign companies in China are also Chinese, and usually have experience studying abroad, but it is obvious that they are trying to localize as many activities in the market as possible. I also think it's good that they have a local team. After all, when conducting stock market research, it is important that the company can obtain reliable data about listed companies. However, for funds whose investment strategy is related to IT and*

quantitative transactions, there is no need to be familiar with listed companies or networks. Their already fully developed digital models work quite well" (Expert 1). "If you want to work in a securities company, your education received abroad will be a very important advantage" (Expert 12). The impact of major domestic and foreign events on the market and stock prices is becoming increasingly noticeable. "The volatility of the stock market is largely influenced by the international situation. Especially in the United States, when the US stock market falls, the Chinese market may also fall. For example, due to modern geopolitical changes, the stock market fell sharply in the first quarter of last year. With the backdrop of globalization, many listed companies in China are doing international business, and the impact of the international situation will be directly reflected in the stock price" (Expert 12). "The increase in the US Federal Reserve interest rate and economic sanctions also affect the Chinese securities market" (Expert 3). "Before the Spring Festival, the Chinese government liberalized strict control over the epidemic and the influx of foreign capital, which immediately directly affected the stock price" (Expert 10). At the same time, it should be noted that the Chinese securities market has its own characteristics. Experts believe that "the economy never exists on its own. To a certain extent, the economy is a product of culture, systems of power and the concentrated expression of class will. Be it the economy, trade, investment, manufacturing or what we call the process of globalization, they are all products of time. This needs to be analyzed in a certain time and space" (Expert 8). "We are a socialist country, and our definition of capital is that our national capital should be controlled by the state" (Expert 6). Consequently, the degree of opening of the securities market and the impact on the local market and related industries after opening have always been hot issues discussed by experts. "The foreign investment system is very mature, but it is also a blow to domestic investment institutions" (Expert 1). "Currently, China's capital market is only in its infancy. Free inflow and outflow of capital is a sign of a mature market, but

China is still far from that. Excessive openness will have negative consequences in the future" (Expert 10).

Based on the interview results, almost all experts believe that the Chinese securities market is clearly different from the securities markets of other, especially Western countries, in terms of both the sociocultural basis and the economic environment, and the specific historical and sociocultural conditions for their formation are different. Most experts believe that the biggest difference between the Chinese market and foreign markets is government control and strict regulation of the market, although experts have differing opinions on this matter. *"I feel that the domestic market is protected by the state. Whether it is an investor or a listed company, it must be said that it is protected comprehensively. There are many aspects to financial policy. Mainly in foreign countries, stock markets are now also under strict control, be it by investors or listed companies. For example, there is a 10% price cap, so even if you make the wrong investment, you still have the opportunity to avoid losses in time. This is a kind of "safety cushion"" (Expert 1). "Politics can have a big impact on the market. The market is also influenced by China's local culture. The formation of new ideas or systems occurs relatively from the top down. Therefore, political intervention in the market, especially at the initial stage of market development, will be more effective - from immature to mature, this is also a market mechanism that gradually brings improvements necessary for the market..." (Expert 7). "This is not an essential feature of the securities market in general, but it is precisely an essential feature of our public administration system in China" (Expert 8). In addition, some experts noted that "we are a specific agricultural civilization with many traditions, so the market will still reflect the values of the Chinese people" (Expert 6), the pursuit of conservative and stable values is also considered a very important factor. There are also huge differences in the structure of traders. "Out of China's 1.4 billion population, there are 200 million shareholders. According to statistics from securities companies, the active number is about 20%, which means that there are 50 million participants*

in the entire market, which is still a relatively small number of the total potential investor base" (Expert 2). "The biggest difference is that the market participants are different. For example, European and US markets are dominated by professional institutional investors, while retail investors mainly invest in the stock market indirectly through professional institutions. In China it's the other way around. There are fewer professional institutional investors, but more retail ones" (Expert 12). A number of experts have put forward alternative assessments of the power of capital in the existing market. For example, "no matter what country we are talking about, the stock market is ultimately a process in which the big fish eats the small fish and the small fish eats the shrimp. The only important factor is power, and, of course, one of the forms of power is capital" (Expert 8). "Listed companies slowly grow from a seed into a tall tree, and the nourishment provided by the capital market is irreplaceable. There are a large number of retail investors in the Chinese securities market. There are speculations and these speculations are relatively serious" (Expert 10). "If you want to work in a securities company, education abroad is a very important requirement. Global market transformation is the main trend in the future. With the increase in the number of listed companies, the market needs more funds, and more funds from foreign investors can be attracted to make the Chinese market more vibrant." (Expert 12).

Social relations and values

Building relationships in the stock market

When asked how you build new relationships with people in the stock market, the most frequently answered keywords and phrases were "common theme," "trust," "collaborative relationships," and "communication." With the advancement of communication technology, most deposit and securities transactions can be conducted online, and clients no longer need to go to banks or securities firms to deal with them locally, greatly reducing the ability for experts to contact unfamiliar new clients. From the experts' explanations, we see

that the main channel for meeting new clients is now the recommendation of old clients, which can help both parties quickly establish a relationship of trust and help form stronger social communications. *"If you want to establish sustainable communication, like what you are doing now, then it is mainly through trusted people. Trust is the basis"* (Expert 7). *"Trust comes from old clients. Some of your existing clients recommend your service and introduce you to other investors"* (Expert 12). Another way is to find new clients through bank employees. Many professionals said that at the beginning of their work they were tasked with developing work with new clients, and working with bank staff was a very effective way. *"Initially, I went to the bank to establish relationships with the bank staff and through them to establish contact with new clients. The bank can also work with us to achieve the results they want, so we have formed a collaborative relationship. In fact, the same is true between people, be it friends, colleagues, clients, everyone should have common mutually beneficial needs (business needs, material needs, spiritual needs)"* (Expert 12). To summarize, we can say that complex networks of interaction are now being built in the securities market, and interpersonal relationships are also built on the needs of both parties for each other. Whether it is the need for collaboration at work, for example, collaboration between bank employees and investment advisors of securities companies, for effective collaboration and implementation of mutually beneficial transactions. There is a common need. For example, in material goods: individual investors turn to experts for help to increase their income, for others the need for communication and development is important - and then they enter interest groups - find common topics, points of common interest, and learn.

When answering the question "How important is it to create friendly relationships with customers?" - many interesting aspects related to traditional Chinese culture were revealed. Almost all experts mentioned that in addition to communicating with clients on work matters, it is very important to establish good personal relationships, trust and friendship with clients. Personal contacts directly influence work in the Chinese securities market. *"Personal contacts are*

certainly useful for work. I think there are two factors. The first is that if you are professional enough, you have knowledge or information that clients do not have, then you can literally give them valuable advice. In other words, you must be useful to others. The second is that if your relationship is relatively trusting, then it in itself influences the reproduction of trust. These two factors are actually irreplaceable" (Expert 7). "Trusting relationships have a big impact on work. For example, when you recommend certain investment products. If the relationship is not trustworthy or there is not enough trust, it is absolutely impossible to sell certain products successfully. An unfamiliar buyer will not waste his time to understand the features of the product" (Expert 1). Including customers in a more important position in the social network is a practice mentioned by most experts. A more intimate relationship also means a deeper level of trust. "Close, almost familial, trusting relationships are very important. We need to reduce the distance between us and our clients. Attending joint events once a week, once a month, once a year will lead to different results. For example, we have a colleague who is very good at his job, and he has a client who works in a bank, but is very busy. And this colleague takes the client to pick up the child at school every day" (Expert 2). "I think the distance between relationships has the biggest impact, and that's essentially building mutual trust. It is important to get along as friends" (Expert 9). According to experts, the characteristics of Chinese society and culture play a very important role in communication, often the parties to the transaction dine together, have fun and give gifts during the holidays. "Meet or have lunch with the customer more often, have dinner with him once a week. We often communicate as friends. Clients often refer to consultants as big brothers or big sisters, although the age may be much higher (as if the consultants were their aunts and uncles), but calling them uncles and aunts is unnecessarily old" (Expert 1). "The special names we call each other with our clients help us establish friendly relations. For example, when I was still in school, roommates or classmates would take on nicknames. Although some nicknames may not be very euphonious, they bring us closer. Or

after working in a team, you may notice that the leader is often called by a certain nickname that corresponds to his way of thinking. This is exclusivity, emphasizing the peculiarity of another person and bringing them closer together" (Expert 6). "Not only do I have a good relationship with the client, but I also have a good relationship with the client's family. The client also invites me to parties, in-depth communication makes communication between us friendly, without obstacles. People in China really often don't separate work and life. I think a good business partner should also be my friend. I also often encourage my staff to communicate informally with our company's clients; our investment advisors generally meet with two or three clients every day so that we can build stronger business communications with them" (Expert 11). In addition, due to geographical differences, the southern provinces and northern provinces of China have different characteristics. "South and north are a little different. In the south there may be a higher proportion of professionalism and a slightly lower proportion of freedom of communication. In the north it may be the other way around, where human relationships are valued more highly" (Expert 7). Some experts say they attract clients through professionalism and skills, relying less on interpersonal relationships. However, they demonstrate a commitment to a strong cultural identity when interacting with clients. "I don't think it's necessary to build close relationships. Of course, it's different for everyone. Some people rely on personal connections. My way is to impress clients with my professionalism. Since I am a foreigner, network resources do not provide much, so I can only count on professionalism in attracting clients. That being said, I know a lot of very strong account managers who rely more on interpersonal relationships. Gifts are given on holidays, etc." (Expert 12). Time is also seen as an important factor in the development of sustainable business communications in the securities market. Experts note that long-term communication and interaction is the most useful tool for both parties to build trust, as well as an incentive for success in work and life. "Everyone should create a sense of trust through frequent communication. The most important thing between people is

trust. Whether it's a meeting, a call, or communicating via WeChat, communication can help you better understand each other and build trust" (Expert 11). "I think that time is the most powerful weapon for creating strong business communications" (Expert 10).

Influence of Confucianism

Traditional Chinese culture influences Chinese behavior in the stock market, according to experts. The experts were asked to answer the question: "How does Confucianism affect the stock market?" - Experts indicated that Confucianism regulates or limits human behavior by influencing people's understanding of the outside world. *"The influence of Confucian culture is definitely there, but it varies from person to person. For example, I'm probably not the best performer in the company (when the goal is to make the most money) because my first principle is to be as honest as possible with the client. If you blindly make money by selling investment products, you may develop a negative feeling about your activities" (Expert 9).* Experts believe that Confucianism's concept of value promotes "conservative" and "cautious" investment decision-making. As a "social and cultural person," whether an investor or an expert advisor, everyone follows this set of unique social and cultural norms that form the specific spiritual boundaries of business communications. *"Most of my clients invest with their hard-earned money, so their requirement is controlled risk. Even if they dream of wealth and hope that investments can quickly bring big profits, when they actually decide to invest, they behave extremely carefully" (Expert 1). "I think, for example, about how to give gifts to clients during the holidays and whether they are appropriate. In Chinese culture, interpersonal relationships are still very important. Is it possible to achieve cooperation? This will be influenced by the relationship between the two parties, embedded in traditional culture" (Expert 12). "Words in communication must be effective. For example, the relationship you just mentioned is actually the basis of trust mentioned by Confucius" (Expert 7). "Many investment managers I know*

practice meditation. I believe that the more outstanding people who decide to practice meditation, the better. Investing is a high-pressure activity that requires a lot of information every day, and it is important to regulate your worldview" (Expert 10). "I prefer to study the philosophies of Buddhism, Confucianism and Taoism. They not only influence our lives, but also influence our work and investments, our choices. For real investment, each of us must choose some specific investment products, right? But in reality, the essence of investing is philosophy, and we can only realistically choose people who are similar to our philosophy that we recognize. Studying Chinese traditional culture helps us a lot in life. After all, it is important to realize your shortcomings and help others do the right thing" (Expert 11). These two directions go hand in hand. Let me give you a very simple example: if I tell clients that they need to change their workplace, then we will go to a new company together" (Expert 2). "It is very important to help and trust each other. It's better to meet clients together. For example, if a client asks a question, both consultants can complement each other's answer; from a cultural point of view, this is mutual support. I think that corporate culture also plays an important role, and this is also related to the management strategy of an effective leader" (Expert 3). "If you collaborate with the Chinese and there is no understanding of each other's culture, it can cause misinterpretation of the symbols underlying any communication. Many cultural restrictions influence people's behavior, many behavior patterns in China and abroad are different. For example, food culture: I often have lunch with clients and business partners" (Expert 6).

The influence of gender on performance in the stock market

When talking about "how do you feel about the differences between men and women in the stock market," it is surprising that the words "eat" and "drink" were mentioned many times, becoming the keywords of experts on the subject of "differences between men and women." From a practical point of view, the most common forms of everyday social activity of people, such as eating together,

contribute to the formation of trusting communications. The difference is that the Chinese not only eat and drink with relatives and friends, but also often dine and socialize with work partners or clients. However, there are some differences in the standards of social behavior between men and women in the Chinese securities market. In particular, women experts noted: *"I think that girls working in this industry have less privileges. You could say that many contracts and collaborations are discussed at the dinner table. This type of communication is not acceptable for many women. However, female employees also have advantages, I can go to the beauty salon with female investors"* (Expert 4). *"Men will have more advantages, for example, in China, men smoke and drink more often, and this is also a way of establishing the necessary business communications. There are also some social stereotypes, for example, people in China often take it for granted that men are more financially savvy than women"* (Expert 12). Male experts believe that female employees of companies in the securities market have many advantages, for example: *"I think that women have more advantages than men, and, of course, these advantages cannot be analyzed independently of their social environment. Women are more emotional. Sensitivity and empathy is the key to establishing trusting business relationships. Therefore, women are more competitive than men, especially in the stock market. In addition, I think that the higher the level of knowledge, the more obvious the professional advantage of women"* (Expert 8). *"Communication with clients should not be too formal and formal; women can be more emotional in communication, which can positively influence investors' decisions. However, I do not see much difference in the activities of women and men in the securities market"* (Expert 11). Gender can indeed influence professionals' behavior at work. *"I think the securities industry is one of the few industries where the ratio of men and women is relatively balanced. Both experts and clients are relatively balanced. When it comes to dividing client groups, I think it's human nature that opposites attract. Obviously, the proportion of my investor clients is female, and the proportion of my female colleagues is obviously high. When I communicate*

with clients of the opposite sex, I will be very natural and friendly, but when communicating with clients of the same gender, I will be more serious" (Expert 9). In terms of investment, experts believe that "clients who do stock business and open dual financing are mainly male clients. They have high trading frequency and high commission requirements. For example, they should receive the lowest commission, they have higher standards for how much money they make on each frequent trade, and how that trade performed. However, female investors pay more attention to the specific types of stocks in which they invest. On the one hand, the trading frequency is not so high, and more attention is paid to losses and gains in a particular transaction" (Expert 1). "Compared to men, women are more delicate and more sensitive to capital losses. For example, this year the Shanghai Composite Index fell 15% compared to last year, the cost of our products fell 10%. For men, this indicator is not bad. For female investors it's the opposite" (Expert 2).

The securities market is a market in which large capitals operate, where material interests and social relations are often affected, and people are often forced to choose between their interests and the interests of the other party. *"There is a concept, and in the words of our industry, it is to survive. The company has its own products and its own sales interests, and they do not always coincide with the wishes of customers. Those. sometimes traded funds and client needs do not coincide... Here you need to look for a balance" (Expert 1). "There is a problem between employees and customers - whether to maximize the interests of the customers or maximize the interests of the company. It is very difficult to balance this contradiction. Yes, I receive a salary from the company, but I also need to maintain the attention of clients" (Expert 2). Many experts said that they would not put material interests above social relations or the spiritual world built on sociocultural values. "I think people should put truth and justice first. After all, material well-being has no upper limit and cannot be exhausted" (Expert 10). Experts also recommend putting long-term friendships first. "In my*

personal opinion, long-term cooperation is very important. Why? In the short term, you can get a lot of material gain in a short period of time. However, you will gradually lose the trust of your customers and they will stop interacting with you. If you focus on short-term interests, then you need to constantly look for new clients. This will cause, firstly, low work efficiency, and secondly, you will be very tired" (Expert 7). The position of most experts is to try to reach a consensus. Gain is more often seen in long-term friendly relationships with clients. "I will recommend products that I personally agree with based on a win-win situation. My principle is to allow clients to profit as much as possible, and I will not put my interests above the interests of clients. But I will take my personal interests into account when creating configurations for clients. And I will choose, for example, the option that has a higher commission percentage among similar products" (Expert 11). A small number of experts said they would judge according to the specific situation, seeking compromises within the context of their own moral code. "I think it depends on the amount of profit that can be made. Personally, I will not give up morality because of making a profit" (Expert 12). Experts believe that if you pursue your own interests without harming the interests of clients, the likelihood of conflicts is then relatively low. "I talked about customer focus. If you can actually implement it, I think at least the likelihood of conflict will decrease" (Expert 6). The question is whether the parties understand each other. "As the stock market changes rapidly, no one can accurately predict the consequences of these changes. But it is important to ensure that clients do not lose money" (Expert 7). If a loss of funds does occur, the client can also treat this situation rationally, and this will not manifest itself in a deterioration in the business relationship. "With closer clients - if you have a good trusting relationship with them, even if they lose money, they will not turn you away. The response is more based on human relationships" (Expert 3).

Investment behavior. The relationship between rationality and irrationality in the stock market

When it comes to rationality and irrationality, some experts believe that rationality is just a concept, a subjective definition, perceived by each person after realizing the rationality of his own actions based on his own experience and knowledge. However, in reality there is no universal definition of rationality, just as there is no completely rational person. And the famous classical theoretical model of homo economicus, in confirmation of the correctness of which the actions of stock market participants are often cited as an example, supposedly always acting purely rationally, maximizing utility with each of their actions on the market, is nothing more than an ordinary assumption, far from social reality. The results of interviews with experts confirm this thesis. *"I have been working for many years. There are no completely rational clients, or some clients may have acted rationally for some time, but there are no completely rational people"* (Expert 1). *"In fact, rationality depends on itself, there is only subjective rationality. What I call rationality has no universal meaning. For example, let's take a universal indicator - 100 points. If you subjectively rate this indicator at 90 points, it will be an underestimate, and if you rate it at 110, it will be an overestimate. But the fact is that the efficiency of activity in the stock market cannot be strictly assessed by everyone out of 100 points. After all, this indicator itself does not have any rational basis. People are different"* (Expert 7). Of course, there are rational and universal components recognized by most investors in the market, such as the timing of investments. It is also clear that it is more rational to buy shares of high-quality, efficient companies. However, in actual transactions, investors' ideas will vary depending on their personal subjective perception of the prevailing market situation, and in any case they will find it extremely difficult to implement what they consider to be a rational standard of behavior. *"Rationality – different people have different understandings of it. For example, some people think that their rationality comes from their experience. ST is a marking of securities of a company exiting the*

market, and the standard rationale is that it is not worth investing in it. However, if a person's experience shows that 9 out of 10 transactions with securities marked ST in his case were successful, then he can perceive such a strategy as completely rational for himself and continue such investments, right? Different people have different experiences, it's like everyone feels an elephant's leg and makes a guess - who is in front of him, right? Everyone has their own experience" (Expert 5). Many cases of violations of universally rational principles among investors have also been discovered. Some experts believe that there are no completely rational people, and some experts believe that the reason there are more ineffective trades in the market is because "there are very few investors who can truly persist in acquiring financial knowledge" (Expert 12). "In my opinion, 90% of people in the market live in their dreams, do not see the essence of the market, do not understand securities trading and do not have the means to protect themselves from the market situation" (Expert 10).

As for the irrational transactions of individual investors, then, according to experts, such scenarios are familiar to them and are very widespread in the securities market. For example, this applies to the names of companies that issue securities; experts gave several interesting examples. *"One of my clients told me that his cousin was very good at speculating in stocks, and he recommended him a lot of good shares of a metal processing company, thinking that it dealt with metals simply by its name. However, when he really assessed the company's brand, he suddenly realized that the main business of this company was not metal processing at all" (Expert 1). "There are unusual factors. For example, I feel that the name of this brand is very suitable, the stock is suitable for the client, and it has grown very well" (Expert 3). "I think so too. JD.com published good news two days ago. There is a stock in the stock market of a company called BOE, which makes flat panel LCD displays..." A client shared that when he left his house, he saw the first license plate he saw and took it as a lucky number, and the shares he bought that day, just corresponded to this number"*

(Expert 5). Some experts mentioned that "specific stocks are traded on Valentine's Day, the stock codes include 1314 and 520, and they rise very well in price on Valentine's Day." And, for example, it also happens that "the stock code of the purchased share simply coincides with the last digits of the license plate of a personal car or identity card" (Expert 12).

The opinions of other people will also influence investors: *"For example, two of my most important clients have total assets of more than 100 million. They choose stocks based on the simple principle of belief in Buddhism. When selecting stocks, stock owners will run the numbers and then buy the corresponding shares. They think that investment is a kind of destiny" (Expert 9). Or, for example, "the opinions of family members have a great influence on investors. At that time we were selling a private equity fund. The female client was the chief financial officer of a listed company. She was very optimistic about the fund and wanted to buy shares. However, she refused the purchase simply after discussing it with her husband, because... For some reason, without any apparent rational reasons, the husband thought that the fund was not that good" (Expert 12).* Experts mentioned the impact of traditional holidays: *"I noticed that the market has a high probability of falling on the last solar cycle of 24 solar cycles. Besides, every time a securities company reports its annual report, the market always falls" (Expert 4). "I think the influence of the solar calendar may not be so obvious. For example, New Year or Dragon Boat Festival. I think that the impact on stock prices is entirely related to the holidays" (Expert 1).* In addition, experts also mentioned several particularly interesting cases. *"There is always a herd effect in the market. For example, when the photovoltaic sector was booming, as long as any companies had the words "light" and "energy" in their names (even though the companies might not actually have anything to do with the sector), many investors would buy their shares almost without hesitation. Regardless of what this company does and what its profitability is" (Expert 12). "In China, especially in Hong Kong, feng shui and metaphysics are taught, and their connection with the stock market has always existed, and there are*

financial research reports based on feng shui every year. True, in mainland China this phenomenon is rare" (Expert 2). "There is a very good private equity firm that uses an "agricultural philosophy" of investing: plant in the spring, harvest in the fall and store in the winter. There is a client studying astrology. Using a set of astrological theories, he "accurately" predicts the market situation for the next year." Experts note that such factors have an impact in the short term. "I think they only have an effect over a short period of time and cannot affect long-term trading trends. These factors are more important for short-term traders" (Expert 11).

The structure of investors in China's securities market has been widely discussed. Experts say that according to the general classification they can be divided, for example, according to such non-economic and irrational characteristics as temperament: *"The first type is anxious clients, and the other is indifferent clients. Anxious clients account for 80% of our work time and energy, and indifferent clients account for 20% of our work time and energy. "Indifferent" clients bring in 70% of our income (Expert 9).* The following expert believes that can be classified according to behavioral strategy: short-term traders and long-term traders. Experts believe that *"The vast majority of individual investors are short-term investors. Such shares are traded more often" (Expert 10). "There are a lot of short-term traders in the market, probably because people are profit-seeking by nature and like to make quick money. But in reality, behind fast money there are huge risks. Short-term traders fall into three categories. I know an investor who is very successful at short-term trading. He has been trading shares of only 10 companies for over 20 years. Although he is a short-term investor, he is actually a long-term asset holder. The goal of short-term trading is to reduce costs. The second category is young people. These are called speculators. They want to make short-term, quick money, but overall their winning rate is not very high. The third category is quantitative investors. This type of professional investor conducts quantitative programming*

operations through powerful databases and computers. There are also medium and long term traders. Active private equity is typically a medium-term investor. Holding a particular stock for more than two years is called long-term investing, where investing is based on the fundamental research of the company" (Expert 11). Classification can also be based on the degree of risk concern. "There is a type of client who thinks that if they are unlucky right away, then they will be unluckier when they fail to invest effectively right away. After an investment failure, they become completely disillusioned with investing in securities and keep the account balance without purchasing any more assets; Some clients have become more cautious about risks and are buying bonds or funds with lower risks. There are aggressive clients who refer to leverage or borrowing money. The other type is the positive one, an investor who likes to buy shares of large companies with large scale and excellent performance and hold them for a long time" (Expert 5). "There are some very professional clients who have their own investment philosophy and are willing to spend a lot of energy researching listed companies based on their own philosophy. Such a person is very difficult to be influenced by others, because his system of ideas is holistic and perfect for himself, he also knows that he cannot earn all the money in the market. These people are more stubborn in their investment philosophy and relatively professional, so they are willing to invest a lot of energy on their own. Another type of client is the so-called. "a vessel of constant dissatisfaction" with transactions. He has some experience and earned money, he also has his own philosophy and system, but not so perfect, he is relatively easily swayed and influenced by external factors. There is another category that does not know the market at all; they are more likely to accept our offers" (Expert 12). Different traders have their own trading strategies. Experts noted that "an investor with a net worth of tens of millions is different from an investor with a net worth of 100,000 yuan. Social resources, information channels and cognition are all different. And the trading strategy will naturally be different. The key to success is knowing and seeing opportunities that others don't see" (Expert 6).

The price of a stock is the most intuitive number in the stock market, but the price of a stock and its fluctuations is a very complex process. When it comes to what drives stock prices, experts say it's a very broad question because there are a number of factors involved. Experts believe that most people analyze market and individual stock movements based on a variety of economic indicators. *"The stock price is analyzed in terms of macroeconomics, industry dynamics, operating conditions of the best company, currency liquidity in the market and the economic cycle"* (Expert 11). Fluctuations in stock prices are essentially a game between funds: *"Wherever funds flow in, the prices of those shares will rise, and when funds leave, stock prices naturally fall"...* *"Funds, market sentiment and politics will all influence on prices. I think that the most important thing in our country is still politics"* (Expert 6). The influence of market participants, investor panic, the desire for wealth and emotions, the goals of various interest groups and the composition of market participants cannot be ignored - all of this will be reflected in stock prices. Among them, investor sentiment is the most significantly influencing factor, most often mentioned by experts. *"China's stock market has the largest share of individual investors, and market sentiment is very influential. The capital market is governed by human interests, and all its development achievements are the result of human desires, reflecting only the desire of people for a better life. I think there is no single rationality, and people are emotional beings. In the stock market, prices fluctuate around value, value is relatively rational, and emotions fluctuate around rationality. And everyone around is talking about greed and fear. If you don't do something, you will definitely be afraid, and most people will buy and sell based on this fear, with emotional fluctuations"* (Expert 5). *"The price of shares in the securities market depends on funds and people's emotions. Let me give you an interesting example. Before Donald Trump came to power, a Chinese registered company called Chuanda Zhisheng, which had nothing to do with him, just had a slightly similar pronunciation of the name, suddenly began*

to increase in value. Over the long term, the share price fluctuates around the company's value; In the short term, stock prices can be influenced by ordinary emotions" (Expert 10). Some experts believe that stock prices cannot be predicted and everything is ruled by chance. "When I was talking to a client before, I was very interested in talking about stock prices. In fact, he is an expert in the industry. Many funds want to consult with him about industry developments and the latest changes in the market. While buying shares and losing money, he said that the company is very good, technology is leading the industry, productivity is also very good, and orders have been queuing for a long time. But after he bought the shares of this company, he did not make any money from them. In my opinion, if we are really into stocks, our goal is to make money, not to find a "good company" (Expert 1).

Stock market speculation

Experts also weighed in on speculative behavior. "I think 9 out of 10 traders are speculators. *There are very few regular customers. Although the vast majority of clients seem to be speculators, these people also follow the market, thinking that the market will rise, or seeing that the market is already rising" (Expert 3). "From the point of view of the people around me, most of the words are speculations, mainly based on trend strategies. Decisions are based simply on the pursuit of opportunistic ups and downs" (Expert 7). "Sometimes it is very difficult to determine the actual required amount of investment. For example, if you are optimistic about a listed company for the long term, we will still sell it after a short-term increase of 20 or 30%. Because human nature can be like that. I know that someone will sell it immediately after making a profit, so I have to come before others."* "I think we are all victims of speculative trading. The longer we work in the industry, the more rational we become. Rationality is expressed in the fact that we no longer engage in short-term trading, but only make medium- and long-term investments. I want to guide my clients towards medium- and long-term investments" (Expert 9). "Speculation will increase

liquidity and make market transactions more frequent. The bad effect is that the rise and fall of stocks is easy to scale" (Expert 1). "Speculation will bring more ill-conceived investments into the market and make stock prices more volatile" (Expert 12).

Level of education of stock market participants

To the question "How financially educated are stock market participants?" - the vast majority of experts responded that, in general, financial market participants lack financial knowledge and serious training. *"If you look at the scores (where 100 is the maximum), the average investor education score may even be less than 60 points, but rather from 30 to 40 points (low score). Xiaobai (a word in China for those who know little) and investors with a high level of knowledge exist simultaneously" (Expert 1).* However, some experts believe that in the financial market, financial knowledge cannot determine whether investors and investments are actually profitable. *"I understand that financial knowledge and professionalism can only guarantee that you lose less money. There will always be information gaps in this market. We define it as luck, and it is impossible to eliminate all risks. Based on my 14 years of experience in the industry, the volume of reading books related to individual clients may be greater than the volume of reading all books over the past few years. It's a very difficult industry to truly understand. You need too much knowledge to really learn" (Expert 6).* Some experts believe that investors cannot escape ordinary human nature, so the issue is not whether investors need to acquire financial knowledge or whether they have acquired enough of it: *"For retail investors, acquiring financial knowledge is not always necessary. Chasing ups and downs is human nature and cannot be changed" (Expert 3).*

To improve the efficiency of the securities market, experts shared different opinions. Some experts believe the system needs to be improved. *"I think that financial and organizational control must be improved. For example, the rapid*

introduction of a registration system and a delisting mechanism are recommended" (Expert 3). The government and regulators should strengthen supervision, "to the maximum extent possible, comprehensively and accurately disclose information about listed companies, and strengthen supervision over the operating conditions and financial conditions of listed companies" (Expert 5). "I think the main problem in China's securities market is the lack of oversight of listed companies. Insufficient disclosure of information about listed companies or even falsification should be strictly punished"... "It is urgent to improve the system" (Expert 9). "Reducing stamp duty and easing the price cap" (Expert 2) makes the market more flexible and freer, and further increases the degree of openness, "by opening the market, it is important to allow more participants of different types of activities to enter it" (Expert 2). To summarize, there are two very different views on improving the efficiency of the stock market, but far-left or far-right policies will introduce great uncertainty into the healthy development of the market. It is first recommended to improve control, after which we can move on to gradual elements of market liberalization.

Thus, based on the results of interviews with experts, the processes of glocalization and the influence of sociocultural specifics along with the influence of global economic transformations were identified, the desire to establish close relationships in the context of "consultant-investor" was identified, the investment sphere in China is currently noted as one of the most popular, helping to relatively quickly climb up the social ladder, at the same time the question arises about the need to increase the level of financial education. Various classifications of stock market participants are also considered, based on expert opinions.

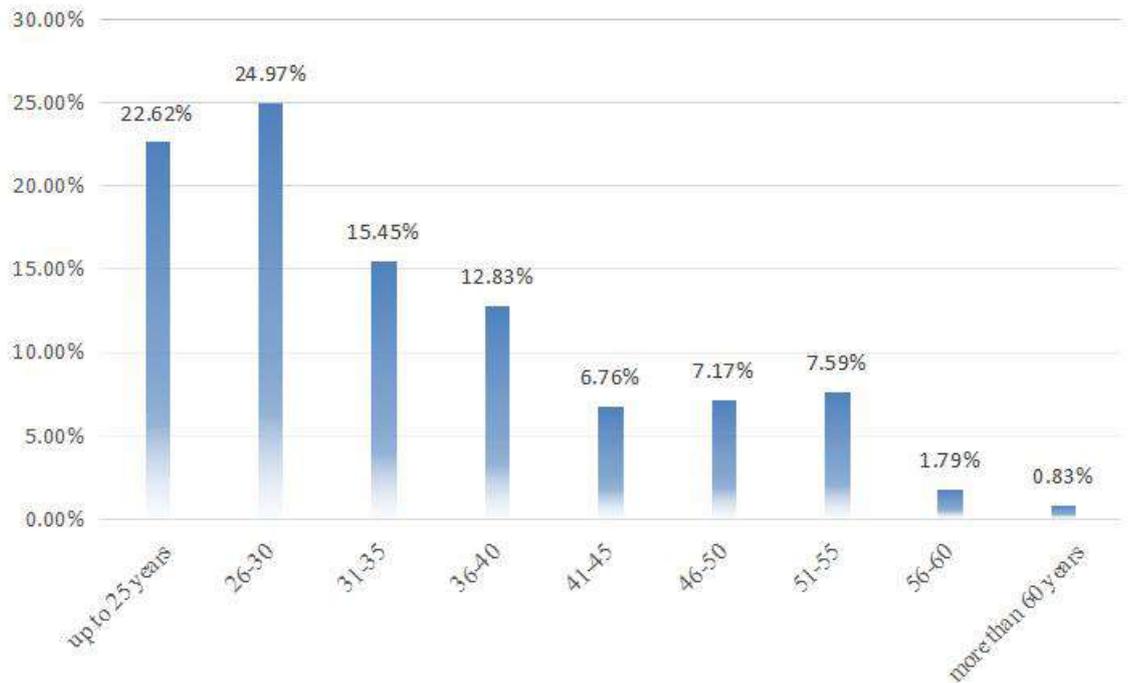
2.2. Analysis of sociocultural factors influencing investor behavior: results of the questionnaire survey

The purpose of the survey is to identify relationships and patterns between sociocultural factors and their influence on investor preferences.

The survey was conducted among individual investors involved in stock market transactions in Shandong Province, China. A total of 725 people took part in the survey. The survey was conducted online on the Questionnaire Star platform (<https://www.wjx.cn/>). The survey was launched on February 21, 2023 and lasted for 1 month.

Since the specific activities of investors in the stock market are directly related to potential winnings, the survey also provided the opportunity to receive small prizes. The survey provided 150 red envelopes with small prizes for completing the survey questionnaire. Respondents had a chance to receive prizes in red envelopes after completing the survey. The probability of winning was about 20%. It was impossible to fill out the questionnaire again. The questions are presented in Appendix 4.

Based on the results of the survey, the author analyzed the results, including a correlation analysis of the mutual influence of sociocultural factors on the stock market using the SPSS program.



Rice. 1. Age of investor respondents

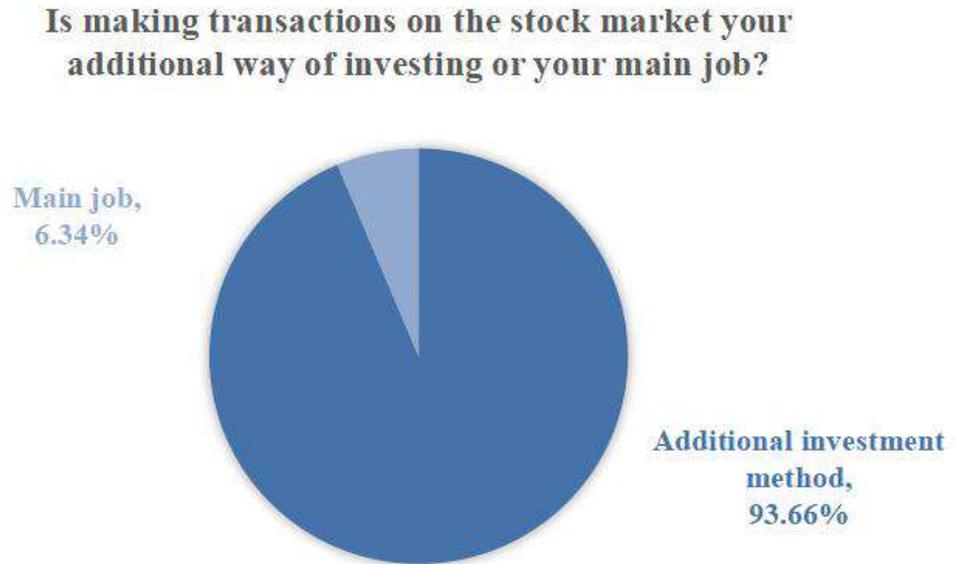
Among the various age groups, the highest percentage was among respondents under 25 years of age and between 26 and 30 years of age - 22.62% and 24.97%, respectively. The proportion of respondents gradually decreases with increasing age. (Fig. 1).

Age	Gender	
	male	female
up to 25 years	20.72%	24.85%
26-30	22.51%	27.84%
31-35	14.32%	16.77%
36-40	15.35%	9.88%
41-45	7.42%	5.99%
46-50	7.67%	6.59%
51-55	9.46%	5.39%
56-60	1.79%	1.80%
more than 60	0.77%	0.90%
Total	391	334

Rice. 2. Distribution by gender and age of stock market participants

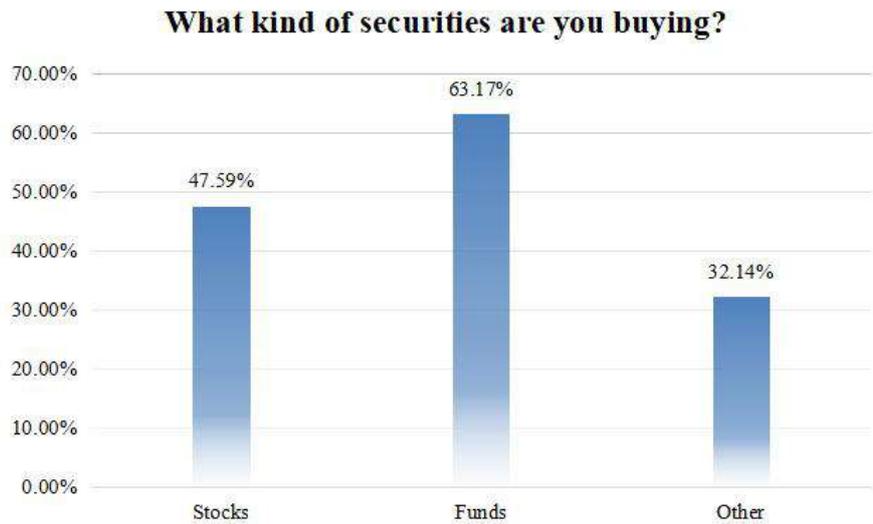
According to the results of correlation analysis, there are more respondents aged under 25, from 26 to 30, from 31 to 35, women than men, and among respondents aged 36 years and older, men predominate. In recent years,

the increase in the level of women's education allows them to more actively participate in production and consumption, and women also choose the option of actively entering the stock market and making transactions to ensure the financial stability of families. (Fig. 2).



Rice. 3. Investments as main and additional income for investors

When asked whether investments are the main source of income or an additional way of income for respondents, 93.66% of respondents answered that investments are additional income for them; only 6.34% of respondents consider transactions with securities their main source of income. Accordingly, for investors, transactions on the stock market are largely an additional source of income. (Fig. 3).



Rice. 4. Investor preferences by asset type

In terms of the types of assets to invest, 47.59% of the respondents invest in stocks, while 63.17% of the respondents buy funds, and 32.14% of the respondents invest in other types of assets (such as bonds, options, futures and other types of assets). (Fig. 4)

Cross-sectional (chi-square) analysis						
What are you trading?		Gender		Total	χ^2	p
		Male	Female			
Stocks	No	38.36%	68.86%	52.41%	67.179	0.000**
	Yes	61.64%	31.14%	47.59%		
Total		391	334	725		

* $p < 0.05$ ** $p < 0.01$

Cross-sectional (chi-square) analysis						
What are you trading?		Gender		Total	χ^2	p
		Male	Ж.			
funds	No	40.66%	32.34%	36.83%	5.372	0.020*
	Yes	59.34%	67.66%	63.17%		
Total		391	334	725		

* $p < 0.05$ ** $p < 0.01$

Rice. 5. The influence of gender on the choice of assets

The correlation analysis demonstrated the importance of gender when choosing an investment object. Thus, the share of women investors investing in stocks is 31.14%, which is significantly lower than the share of men investing in stocks – 61.64%. The share of male investors who chose funds as investment

objects is 59.34%, and the share of female investors is 67.66%. Data suggests that women in China prefer to invest in lower-risk assets (funds), while male investors are more focused on high-risk transactions (stocks). (Fig. 5).

Cross-sectional (chi-square) analysis												
What are you trading?	Age									Total	χ^2	p
	Up to 25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	More than 60			
Stocks	No	63.41%	61.88%	59.82%	46.24%	28.57%	32.69%	36.36%	23.08%	0.00%	52.41%	54.3970.000**
	Yes	36.59%	38.12%	40.18%	53.76%	71.43%	67.31%	63.64%	76.92%	100.00%	47.59%	
Total		164	181	112	93	49	52	55	13	6	725	

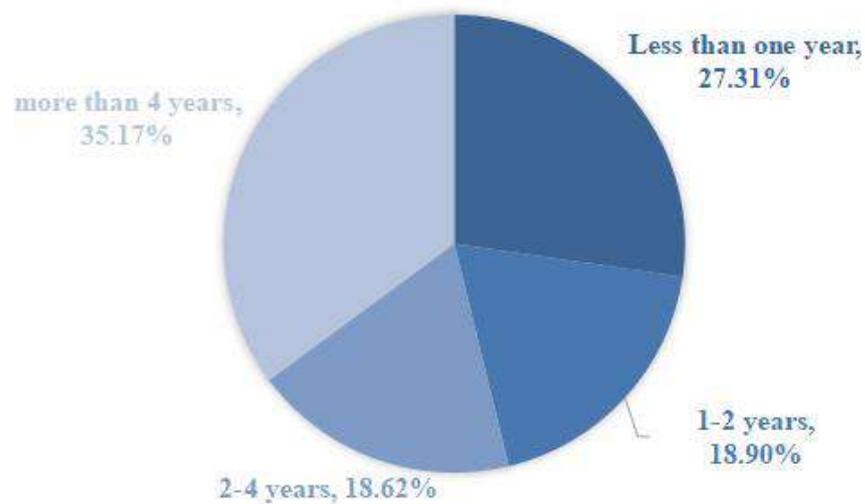
* $p < 0.05$ ** $p < 0.01$

Cross-sectional (chi-square) analysis												
What are you trading?	Age									Total	χ^2	p
	Up to 25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	More than 60			
funds	No	43.29%	30.39%	28.57%	44.09%	44.90%	42.31%	32.73%	23.08%	50.00%	36.83%	15.5060.050
	Yes	56.71%	69.61%	71.43%	55.91%	55.10%	57.69%	67.27%	76.92%	50.00%	63.17%	
Total		164	181	112	93	49	52	55	13	6	725	

* $p < 0.05$ ** $p < 0.01$

Rice. 6. The influence of age on the choice of assets

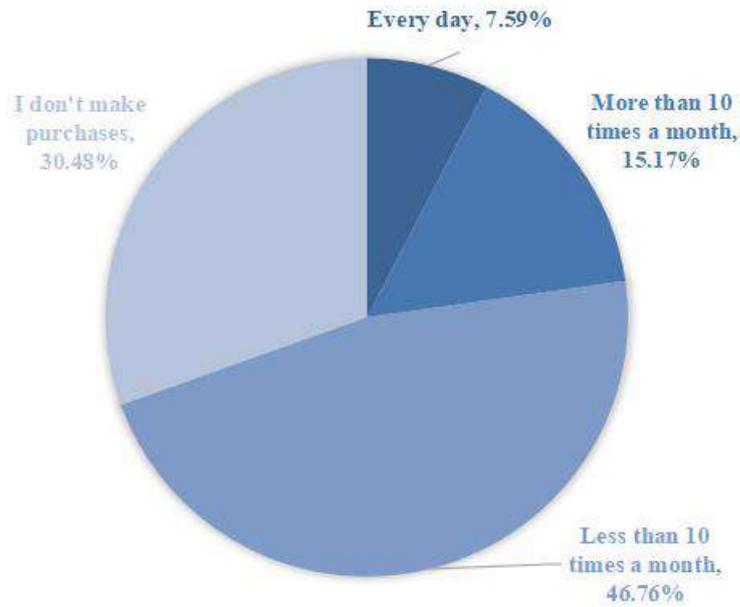
There is also a significant positive correlation between age and investment in stocks. The higher the age and experience, the more risk-averse respondents are. While there is no significant correlation observed when investing in funds. (Fig. 6).

How long have you been trading in the stock market?

Rice. 7. Investor experience in the stock market

Among the respondents surveyed, the share of investors with more than 4 years of investment experience is the highest, reaching 35.17%. 18.62% of respondents with 2-4 years of investment experience in the stock market, 18.9% of respondents have been investing for 1 to 2 years, and respondents with less than one year of investment experience account for 27.31%. According to the survey results, the largest groups by experience in the stock market are respondents with rich investment experience of more than 4 years and respondents with little experience of less than a year. This situation is largely due to the fact that fashion is increasingly spreading in this area of activity, and in many ways it can be done remotely. (Fig. 7).

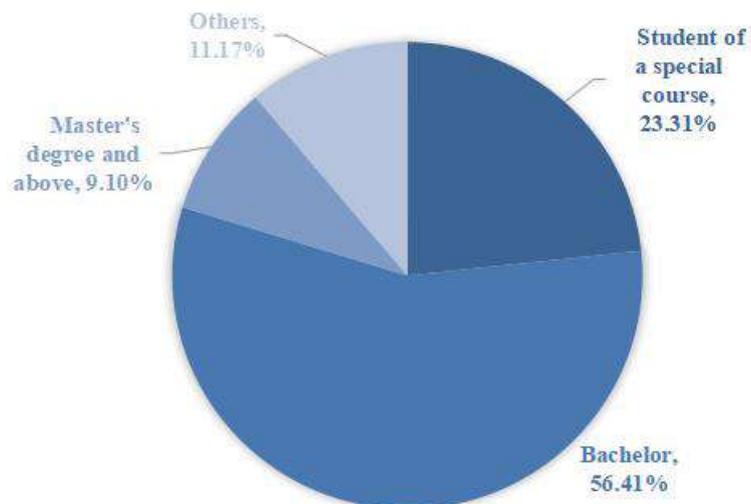
How often do you trade in the stock market?



Rice. 8. Frequency of transactions in the stock market

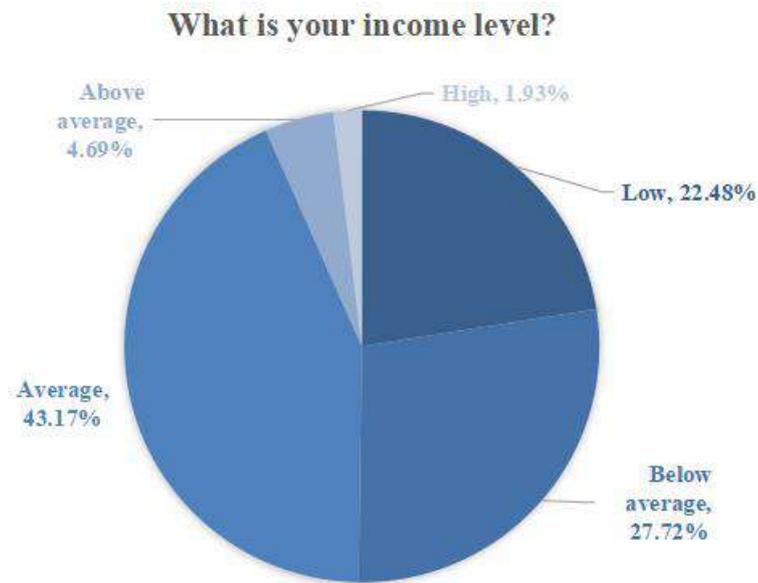
According to the survey results, the majority of respondents have a low frequency of transactions. 30.48% of respondents prefer to hold securities and not trade, 46.76% of respondents trade less than 10 times a month, 15.17% of respondents trade assets more than 10 times a month, and only 7.59% of investors trade securities every day. This frequency indicates a desire for a thoughtful and long-term investment strategy. (Fig. 8).

Educational level



Rice. 9. Level of education of investors in the stock market

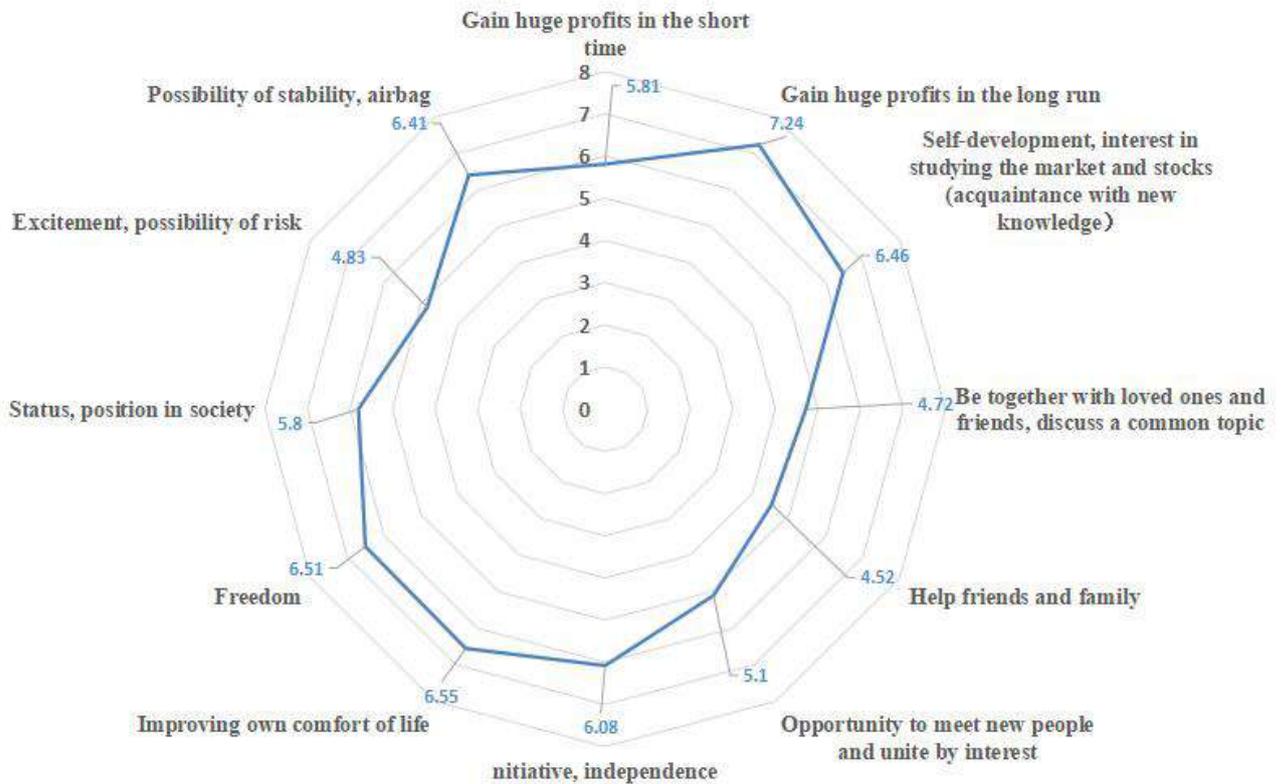
According to the survey results, more than half of the participants in the securities market have a bachelor's degree or higher. (Fig. 9).



Rice. 10. Level of income of investors in the stock market

When asked what your income level is, 43.17% of respondents classified themselves as having an average income level, and 27.72% and 22.48% of respondents classified themselves as having a low-medium or low income level. Only 6.62% of respondents consider their income level to be above average or high. Thus, respondents' assessment of personal income is mainly at a low or average level. According to the author of the study, such results may also be associated with the ideas of Confucianism, according to which it is not customary to publicly announce your income and declare that you are a very rich person. Also, being a member of the middle class is safer. (Fig. 10).

Participation in the stock market provides different opportunities. Rate each of the criteria from 1-10. What does participating in the stock market give you? (multiple choice)



Rice. 11. Investor needs in the stock market

When asked to rate each of the criteria from 1-10 what participation in the stock market gives you, the surveyed respondents gave the highest scores to the following characteristics: "Earn a lot of money in the long term" - (7.24). "Improving one's own comfort" (6.55), "Freedom" (6.51), "Self-development, interest in the market and stocks" (6.46) and "Possibility of stability, airbag" (6.41). The following motives received the lowest ratings: "Helping friends and family" (4.52), "Being with family and friends, discussing a common topic" (4.72), and "Excitement, the possibility of risk" (4.83). According to the data obtained, the motives of the majority of private investors in the stock market are associated with a long-term investment strategy, as well as satisfying the need for freedom, comfort, and self-development. Here there is an interweaving of traditional Chinese cultural values with values that came from outside (Fig. 11).

Cross-sectional (chi-square) analysis												
Age												
	Up to 25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	More than 60	Total	χ^2	p
\	1.83%	1.10%	3.57%	8.60%	4.08%	3.85%	3.64%	0.00%	0.00%	3.17%		
1	3.66%	2.21%	1.79%	4.30%	4.08%	5.77%	10.91%	15.38%	0.00%	4.00%		
2	1.83%	0.55%	0.00%	1.08%	0.00%	3.85%	7.27%	0.00%	0.00%	1.52%		
3	2.44%	2.76%	2.68%	1.08%	8.16%	7.69%	3.64%	15.38%	0.00%	3.45%		
4	4.88%	4.42%	2.68%	3.23%	6.12%	9.62%	1.82%	0.00%	0.00%	4.28%		
Gain huge profits in the long run	5	11.59%	10.50%	8.93%	8.60%	10.20%	7.69%	7.27%	7.69%	16.67%	9.79%	108.9470.017*
	6	9.76%	13.81%	10.71%	8.60%	4.08%	9.62%	12.73%	7.69%	0.00%	10.48%	
	7	10.37%	7.18%	16.96%	22.58%	18.37%	13.46%	7.27%	23.08%	16.67%	12.97%	
	8	20.12%	18.23%	14.29%	9.68%	16.33%	9.62%	10.91%	15.38%	16.67%	15.59%	
	9	4.88%	12.15%	10.71%	6.45%	8.16%	7.69%	10.91%	7.69%	0.00%	8.69%	
	10	28.66%	27.07%	27.68%	25.81%	20.41%	21.15%	23.64%	7.69%	50.00%	26.07%	
Total	164	181	112	93	49	52	55	13	6	725		

* $p < 0.05$ ** $p < 0.01$

Rice. 12. Relationship between age and long-term investment strategy

The age of the respondents and the choice of answer "Earn a lot of money in the long term" showed a significant level. In general, respondents of all age groups gave a higher score for long-term investment strategy, which can be called the specificity of Chinese financial culture, since it is the long-term strategy in any endeavor that is highly valued in traditional culture. In the stock market, where you can make money in a short time, in China we see a trend towards a long-term strategy. (Fig. 12).

Pearson	
	P
Does culture affect the stock market?	-0.094*
Gender	-0.060
Age	-0.120**
Stocks	0.115**
Funds	0.127**
Investment experience	0.140**
Frequency of investment	-0.068
Educational level	0.085*
income level	0.097**
Gain huge profits in the short time	0.445**
Self-development, interest in studying the market and stocks	0.597**
Be together with loved ones and friends, discuss a common topic	0.379**
Help friends and family	0.325**
Opportunity to meet new people and unite by interest	0.450**
Initiative, independence	0.571**
Improving own comfort of life	0.639**
Freedom	0.602**
Status, position in society	0.501**
Excitement, possibility of risk	0.348**
Possibility of stability, airbag	0.617**
Amount of free money to invest	0.634**
News or information related to the promotion	0.577**
Political and economic situation in the country	0.572**
Advice and opinion of relatives and friends	0.427**
Your advisor's advice and opinion	0.513**
Opinion of a specialist expert (any expert who works in this industry)	0.517**
Lucky numbers	0.411**
Company name	0.386**
Traditional Chinese calendar, holidays, seasons	0.448**
Reverse Transaction Frequency	-0.107**
To what extent do the benefits from buying/selling in the stock market meet your expectations? (scale from 0-10, where 10 is the maximum)	0.410**

* $p < 0.05$ ** $p < 0.01$

Rice. 13. Relationship between long-term strategy and other factors

Since the strategy “Earn big money in the long term” was identified as a dominant need among respondents, a correlation analysis of this need with other factors was carried out. According to the results of the analysis, private investors in the stock market are most focused on "improving their own comfort of life," "the possibility of sustainability, a safety net," "freedom," and "self-development." When making stock trading decisions, they take more into account "the amount of available money to invest", "news or information related to the stock" and "the political and economic situation in the country", which is different from investors using a short-term strategy, with an orientation on belief in “lucky numbers”, the company name, the traditional Chinese calendar, holidays and seasons. (Fig. 13).

Cross-sectional (chi-square) analysis

	Age									Total	χ^2	p
	Up to 25	26-30	31-35	36-40	41-45	46-50	51-55	56-60	More than 60			
\	1.83%	1.10%	6.25%	6.45%	4.08%	5.77%	9.09%	15.38%	0.00%	4.14%		
1	7.93%	5.52%	9.82%	15.05%	12.24%	13.46%	18.18%	7.69%	0.00%	9.93%		
2	2.44%	2.76%	2.68%	2.15%	4.08%	13.46%	10.91%	7.69%	16.67%	4.28%		
Gain	5.49%	9.94%	7.14%	8.60%	16.33%	17.31%	9.09%	23.08%	0.00%	9.38%		
huge	5.49%	6.63%	2.68%	5.38%	6.12%	13.46%	10.91%	15.38%	0.00%	6.48%		
profits	15.24%	17.13%	19.64%	10.75%	20.41%	7.69%	12.73%	0.00%	16.67%	15.17%		
in the	9.15%	16.02%	13.39%	12.90%	10.20%	11.54%	3.64%	7.69%	16.67%	11.86%	126.90	0.001**
short	11.59%	8.84%	10.71%	15.05%	10.20%	7.69%	7.27%	7.69%	0.00%	10.34%		
time	11.59%	7.18%	7.14%	5.38%	2.04%	1.92%	7.27%	7.69%	16.67%	7.31%		
	4.27%	4.97%	6.25%	4.30%	2.04%	1.92%	5.45%	7.69%	16.67%	4.69%		
1	25.00%	19.89%	14.29%	13.98%	12.24%	5.77%	5.45%	0.00%	16.67%	16.41%		
0												
Total	164	181	112	93	49	52	55	13	6	725		

* $p < 0.05$ ** $p < 0.01$

Rice. 14. Relationship between age and short-term investment tactics

At the same time, young people are most interested in making quick money in a short time. The higher the age of the respondents, the lower the

desire for short-term income. Respondents aged 46–60 pay less attention to short-term investment tactics. (Fig. 14).

Pearson	
	P
Gain huge profits in the long run	0.445**
Self-development, interest in studying the market and stocks	0.586**
Be together with loved ones and friends, discuss a common topic	0.687**
Help friends and family	0.581**
Opportunity to meet new people and unite by interest	0.546**
Initiative, independence	0.543**
Improving own comfort of life	0.668**
Excitement, possibility of risk	0.608**
Status, position in society	0.639**
Possibility of stability, airbag	0.442**

* $p < 0.05$ ** $p < 0.01$

Rice. 15. The relationship between the need for short-term gain and other needs

For investors who value "short-term interests", it is also important to "Be together with near and dear people involved in the business topic", "Excitement, risk opportunity". (Fig. 15).

Cross-sectional (chi-square) analysis

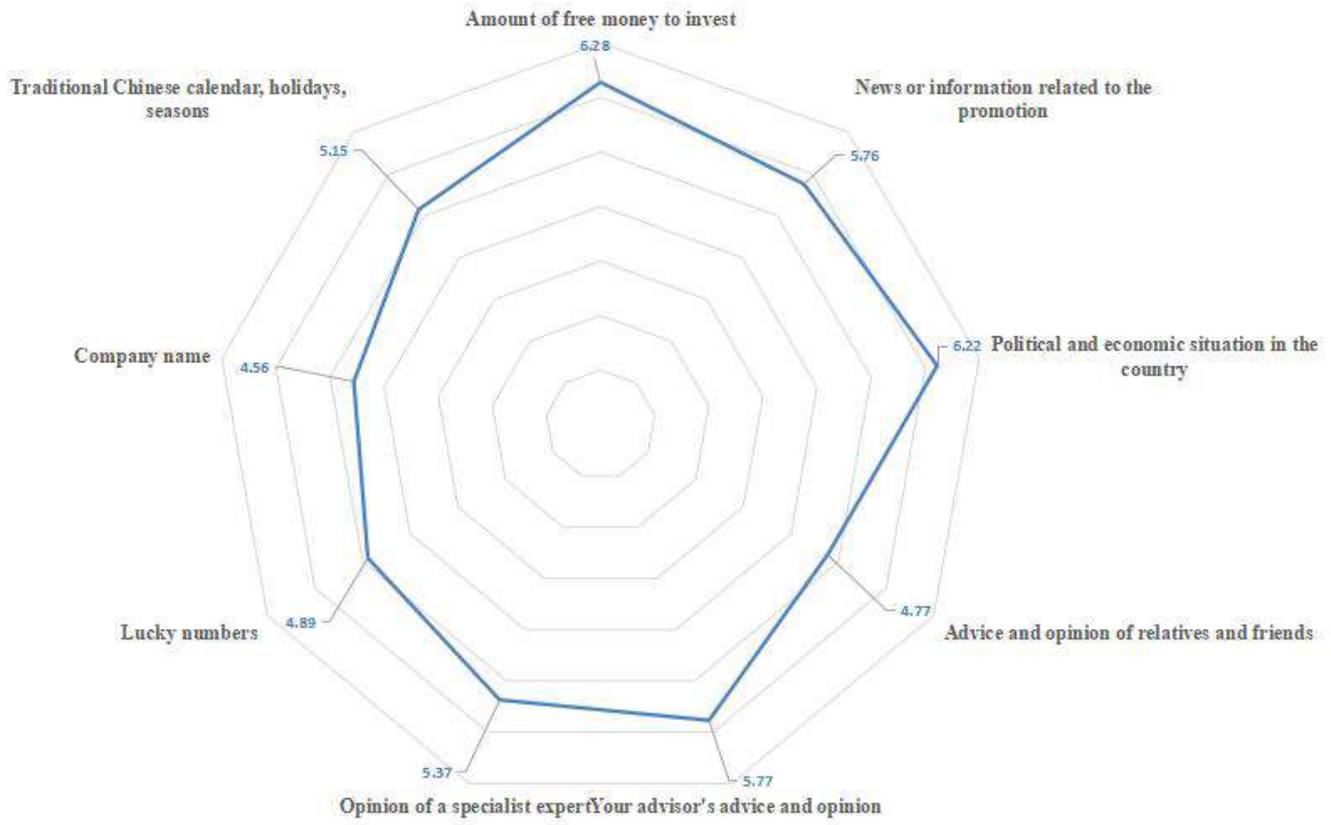
	Age								Total	χ ²	p
	Up to 25	26-30	31-35	36-40	41-45	46-50	51-55	56-60			
1	2.44%	2.21%	7.14%	9.68%	8.16%	13.46%	14.55%	23.08%	0.00%	6.48%	
2	10.98%	11.60%	6.25%	13.98%	14.29%	17.31%	20.00%	23.08%	0.00%	12.28%	
3	2.44%	2.76%	5.36%	4.30%	6.12%	9.62%	3.64%	0.00%	0.00%	4.00%	
4	3.05%	6.63%	3.57%	5.38%	8.16%	11.54%	10.91%	7.69%	0.00%	5.93%	
5	4.73%	8.84%	5.36%	4.30%	12.24%	5.77%	9.09%	7.69%	16.67%	7.45%	
6	13.41%	11.60%	11.61%	10.75%	14.29%	7.69%	10.91%	7.69%	16.67%	11.72%	104.0035
7	12.80%	16.02%	16.07%	12.90%	12.24%	3.85%	10.91%	7.69%	0.00%	13.10%	411 *
8	7.32%	8.29%	16.96%	15.05%	4.08%	7.69%	5.45%	7.69%	0.00%	9.66%	
9	11.59%	12.15%	9.82%	8.60%	4.08%	5.77%	3.64%	7.69%	16.67%	9.52%	
10	7.93%	4.97%	4.46%	4.30%	2.04%	1.92%	1.82%	7.69%	16.67%	4.97%	
Total	20.73%	14.92%	13.39%	10.75%	14.29%	15.38%	9.09%	0.00%	33.33%	14.90%	
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Total	164	181	112	93	49	52	55	13	6	725	

* p<0.05 ** p<0.01

Rice. 16. Relationship between age and need for status

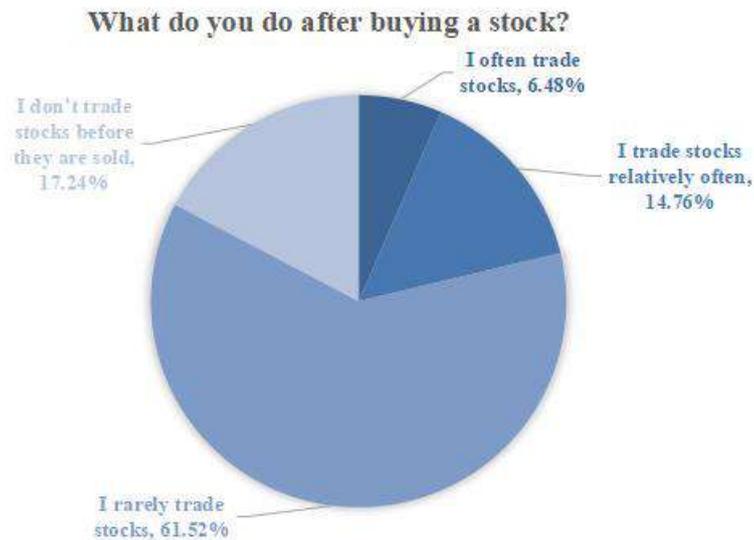
Respondents of different ages showed the importance of "Status, position in society" as one of the motives for participation in the stock market. Investments also create opportunities for a "social elevator", the ability to move from one social layer to another more successfully. Status indicators are especially important for young people. (Fig. 16).

**To what extent does each criterion affect your decision on the stock market?
(scale from 0-10, where 10 is the maximum)**



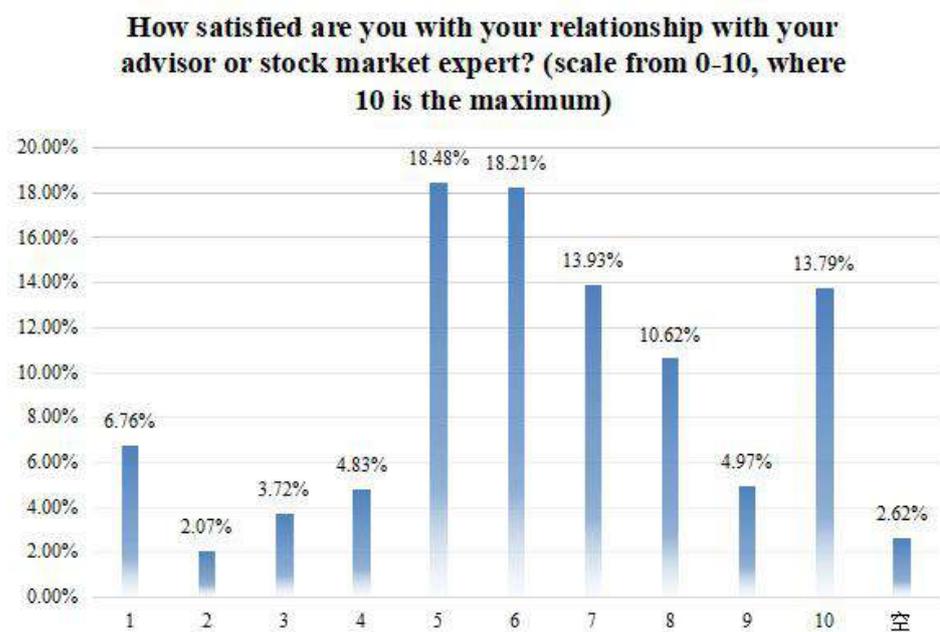
Rice. 17. Factors that influence the decisions of investors in the stock market

Based on the data obtained, we can conclude that when investors make an investment decision, the most influential factors are "Amount of free money for investment" (6.28), "Political and economic situation in the country" (6.22) and "Advice and opinion of the respondents' consultant" (5.77). The least influential factors are "Company name" (4.56) and "Advice and opinion of relatives and friends" (4.77). (Fig. 17).



Rice. 18. Frequency of stock trading after purchases

When asked how investors usually act after purchasing shares, 61.52% of respondents answered that they rarely trade purchased shares, and 17.24% of investors do not like to constantly trade shares and prefer to hold shares for a long time before selling them. About 20% of respondents selected "I trade stocks often or relatively often." It can be said that most of the respondents prefer to hold shares longer rather than trade shares frequently in order to profit from the constant buying and selling of shares. (Fig. 18).



Rice. 19. Assessing the benefits of transactions on the stock market

According to the results of answers to the question about investor satisfaction with income from investments in securities, more than 50% of respondents gave 5, 6 and 7 points (average values). 13.79% of the respondents are very satisfied with their investment returns in the stock market. About 17% of respondents rated returns on the stock market at 4 points or below. (Fig. 19).

Pearson	
How satisfied are you with your relationship with your advisor or stock market expert?	P
Gain huge profits in the short time	0.520**
перспективеGain huge profits in the long run	0.410**
Self-development, interest in studying the market and stocks	0.513**
Be together with loved ones and friends, discuss a common topic	0.490**
Help friends and family	0.444**
Opportunity to meet new people and unite by interest	0.499**
Initiative, independence	0.496**
Improving own comfort of life	0.429**
Freedom	0.463**
Status, position in society	0.471**
Excitement, possibility of risk	0.481**
Possibility of stability, airbag	0.446**
Amount of free money to invest	0.474**
News or information related to the promotion	0.481**
Political and economic situation in the country	0.467**
Advice and opinion of relatives and friends	0.505**
Your advisor's advice and opinion	0.532**
Opinion of a specialist expert	0.561**
Lucky numbers	0.508**
Company name	0.544**
Traditional Chinese calendar, holidays, seasons	0.533**
Reverse Transaction Frequency	-0.107**
	0.410**

* $p < 0.05$ ** $p < 0.01$

Rice. 20. Influence of factors on satisfaction with transactions on the stock market

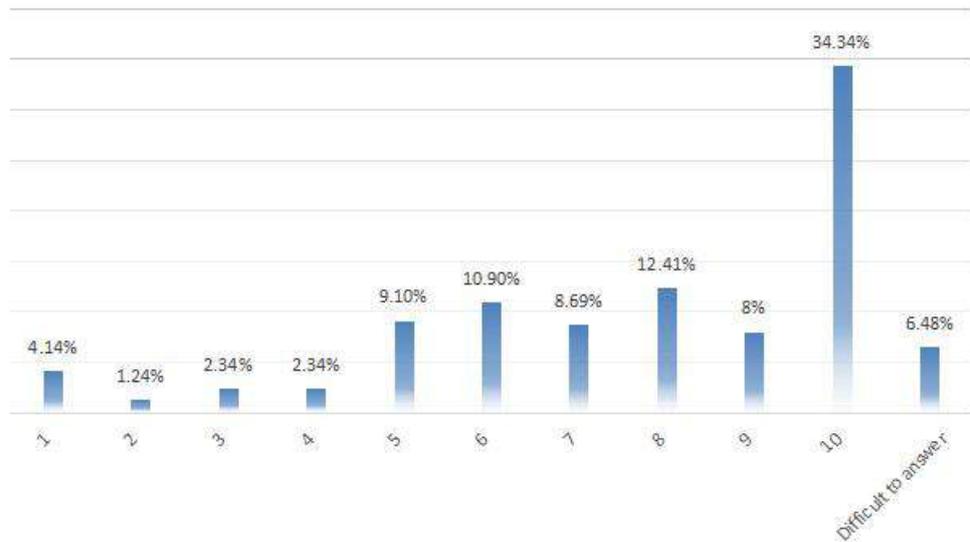
According to the results of correlation analysis based on the Pearson coefficient, there is a positive relationship between respondents' assessment of the benefits of buying/selling assets and sociocultural factors of choice. Thus, "Expert Opinion," "Company Name," and investing based on "Traditional Chinese Calendar and Holidays" bring more satisfaction to individual investors in China than those investing based on "Free Money," "Asset Related News." ", "Political and economic situation in the country." In this context, there is a strong relationship between the focus on traditional Chinese culture when investing and the level of satisfaction. (Fig. 20).



Rice. 21. Appeal to a consultant (expert) by investors

64.55% of respondents indicated that they went to professional consultations or had experts help them with transactions on the stock market. About a third of investors make transactions without contacting advisors or experts. (Fig. 21).

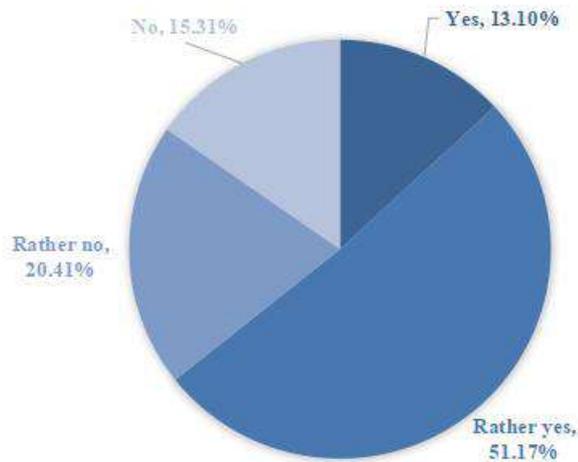
How satisfied are you with your relationship with your advisor or stock market expert? (scale from 0-10, where 10 is the maximum)



Rice. 22. Satisfaction with the services of consultants (experts) on the stock market

Regarding satisfaction with service and relationships with experts and consultants, more than a third of respondents gave a highly positive answer (10 points), 50% scored from 5 to 9 points, 10% of respondents gave 4 points or less. It is clear that most respondents have a good relationship with their consultant or expert. A follow-up question was asked about what you enjoy about working with your advisor or stock market expert? The vast majority noted "The advisor's explanation of my questions is very detailed and clear," "always shares investment knowledge and strategies," "gives very good advice on the stock market," "always answers me in a timely and sincere manner, I know I can get support," and "The expert knows the stock market and its further development very well." Negative reviews are also present, however, in relatively small quantities. (Fig. 22).

Do the ideas of Confucianism influence the stock market and transactions, in your opinion?



Rice. 23. Impact of Confucianism on the stock market

When asked whether Confucian ideas influence the stock market and transactions, 13.1% of respondents believe that Confucianism influences behavior in the stock market and influences investors' decisions. 51.17% of respondents answered "most likely yes", that Confucianism most likely influences the stock market. 35.72% of respondents believe that Confucianism has little or no influence on behavior in the stock market. Thus, more than 64% of respondents believe that Confucianism influences activity in the stock market and, accordingly, influences the behavior of investors. Respondents note that Confucianism, as one of the most important ethical and philosophical teachings in China, greatly influences the behavior and character of the Chinese. For example, "Confucian thinking influences personality traits, the Chinese prefer stability and conservatism", "culture influences personality, and accordingly influences the stock market", "The Chinese are very cautious, attentive and do not like high risks", "We are relatively cautious and conservative , therefore, most Chinese prefer to receive benefits not immediately and not on a large scale; it is better to constantly receive a stable and small profit." (Fig. 23).

Cross-sectional (chi-square) analysis

		Educational level				Total	χ^2	<i>p</i>
		Student of a special course	Bachel or	Master' s degree and above	Other			
Да		11.83%	13.94%	19.70%	6.17%	13.10%		
Влияет ли культура на фондовом рынке?	Скорее да	50.89%	54.03%	57.58%	32.10%	51.17%	4	0.000* *
	Скорее нет	23.67%	18.58%	15.15%	27.16%	20.41%	2	
	Нет	13.61%	13.45%	7.58%	34.57%	15.31%	4	
	Total	169	409	66	81	725		

* $p < 0.05$ ** $p < 0.01$

Rice. 24. Correlation between the level of education and opinions about the influence of culture on the stock market

There is a correlation between educational level and opinions regarding the influence of culture on the stock market. The higher the level of education of respondents, the more respondents note the influence of culture on the stock market. (Fig. 24).

Cross-sectional (chi-square) analysis									
		Income level					Total	χ^2	p
\		Low	Below average	Average	Above average	High			
Do the ideas of Confucianism influence the stock market and transactions in your opinion?	Yes	100.00%	17.28%	13.93%	10.22%	2.94%	35.71%	13.10%	
	Yes	0.00%	40.12%	54.23%	57.19%	41.18%	28.57%	51.17%	
	No	0.00%	18.52%	19.90%	20.45%	32.35%	21.43%	20.41%	
	No	0.00%	24.07%	11.94%	12.14%	23.53%	14.29%	15.31%	
	Total	1	162	201	313	34	14	725	43.4010.000**

* $p < 0.05$ ** $p < 0.01$

Rice. 25. Correlation between income level and opinions about the influence of culture on the stock market

There is a similar trend with income levels. The higher the income level, the greater the recognition of the influence of culture on the stock market. (Fig. 25).

To summarize, we can conclude that the stock market is a rapidly developing area of economic activity in the PRC and, by its specificity, this type of activity tends to be risky, however, China has its own sociocultural specificity associated with a long-term investment strategy, the desire to reduce risk, consideration the stock market as a “safety cushion”, the desire to additionally consult with an expert, the desire to trade purchased assets relatively rarely. There is also a desire for self-development. At the same time, the data shows an interesting fact - the greatest satisfaction from this type of economic activity is obtained by people who make short-term transactions, taking into account the

traditional Chinese calendar, holidays, and seasons; taking into account the name of the company and the opinions of friends.

2.3. Studying appeals to stock market participants: results of the content analysis of interactive messages

This dissertation also uses the method of content analysis of investor messages in the stock market from the Tonghuashuna application (the most commonly used trading application in China in the stock market)¹¹⁴. In traditional Chinese culture, ideas about social relationships are similar to concentric circles on water caused by a stone thrown into it. The closer to the center, the closer the connection (family, consanguineous ties). The farther from the center, the greater the distance in social relationships. Different moral standards correspond to different levels of social relations. The closer the social relationships, the higher (stricter) the moral standards that people must follow, and accordingly, the more obligations and rights they receive¹¹⁵. Within the framework of the philosophical system of Confucianism, the family is considered as the basis of society, the interests of the family are placed above the interests of the individual. Such sociocultural characteristics, based on the desire to create closer social relationships through close, almost family-like communication, were discovered in the author's study of the Chinese stock market¹¹⁶.

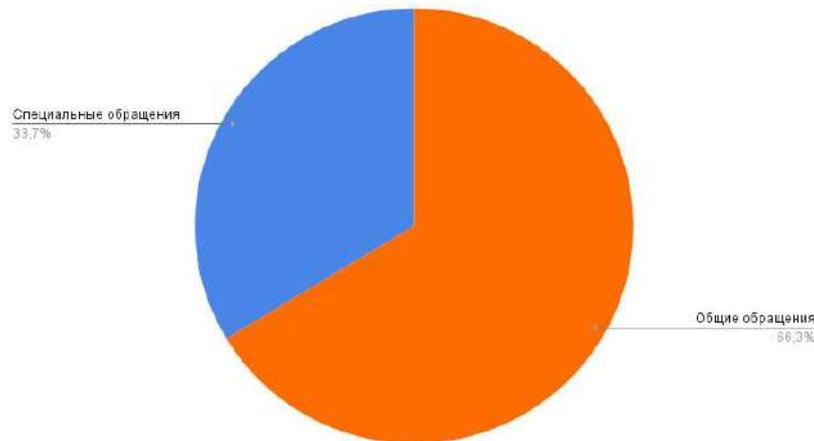
The purpose of content analysis is to analyze the influence of traditional Chinese culture on the peculiarities of building communications in the stock market. During the study, conducted in the spring of 2023, an analysis was made of the frequency of repetition of messages, requests, and comments about

¹¹⁴ Interactive messages from investors in the Tonghuashun application [Electronic resource]. URL: https://t.10jqka.com.cn/m/post/discussDetail/?pid=2055515696&client_userid=AHPay&share_hxapp=gsc&share_action=&back_source=hyperlink (access date: 12/07/2022) (In Chinese)

¹¹⁵ Fei Xiaotong. Chinese village through the eyes of an ethnographer / Transl. from China V. M. Kryukova. Will join. Art. M. V. Kryukova. Preface B. Malinovsky. — M.: Science, Main Editorial Board of Oriental Literature. 1989. P. 245.

¹¹⁶ Du Xiaotong. The influence of sociocultural factors on interaction in the Chinese stock market: content analysis of interactive messages of investors in the Tonghuashun application / Global social processes 4.0: sociocultural transformations in the system of modern societies (Collection of articles) / Ed. A. V. Petrova (chief editor), O. P. Gorkova, K. Yu. Besedina, S. S. Kozlovskaya, A. V. Povidysh, S. S. Pogorelaya. St. Petersburg: Asterion, 2023. pp. 199-201.

hundreds of companies whose shares were quoted the highest at the time of the content analysis. 30% of the 10,000 messages studied included ordinary messages from market participants to each other. The content analysis revealed that 66.3% of calls are “general” calls (such as pronouns: I, you, you, we, you), and the remaining 33.7% are “special” calls (Figure 1) .



Rice. 1. General and special messages

The classification of “special” appeals to stock market participants is as follows:

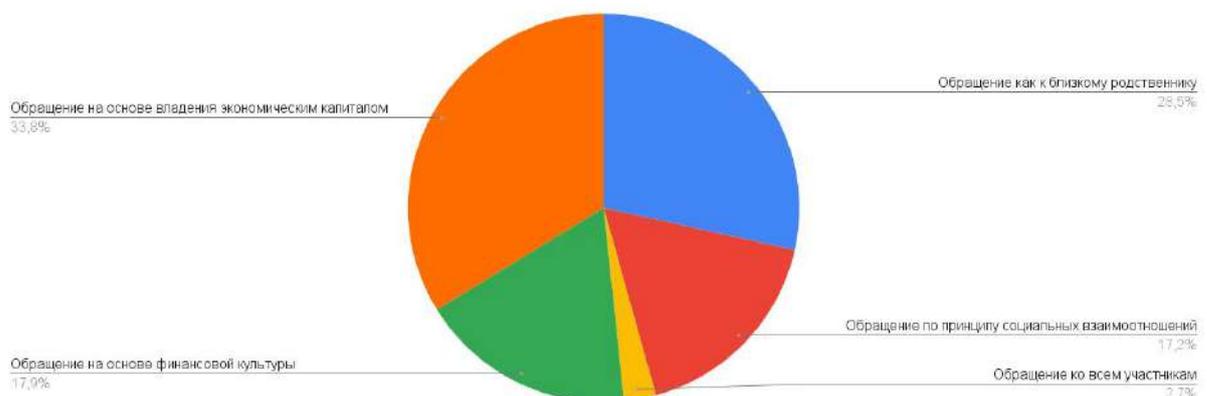
- Appeal based on perceived kinship relationship (younger or older brother).
- Address based on the perception of social relations and social status (teacher, boss, master, friend, fellow countryman).
- Appeal based on the perception of professional status (small private investor, specialist, master, expert).
- Appeal based on the perception of the amount of capital that an investor has in the stock market (“sweet onion”, i.e. a small investor, “northern money”, i.e. a wealthy investor, usually from Hong Kong, “foreign money”).
- Appeal to all participants based on their perception as a single professional community (“investors”)¹¹⁷.

¹¹⁷ Right there. pp. 201–205.

The share of appeals to “You” among “general” addresses, as a form of emphatically polite address, implying some social and cultural distance, was found only in 2.01% of cases, the remaining 97.99% of addresses were addresses “on an equal footing” (you, I, we).

You can also identify some patterns when analyzing “special” requests (all requests are taken as 100%) (Fig. 2):

- Addresses as close relatives - 28.5%;
- Appeal based on the perception of social relationships and status – 17.2%;
- Appeal based on perception of professional status – 17.9%;
- Appeal based on the perception of the amount of capital available to the investor – 33.8%;
- Appeal to all participants based on their perception as a single professional community (all, investors) – 2.7%.



Rice. 2. Distribution of "special" requests

The results of the content analysis showed the presence of two special groups of requests that characterize the features of social communications of stock market participants. On the one hand, there are appeals based on the

perception of the amount of capital that an investor has in the stock market, such as “sweet onion,” i.e., a small investor, “northern money,” i.e., a wealthy investor, usually from Hong Kong, “foreign money”, i.e. a wealthy foreign investor, etc. The presence of this group of requests shows a fairly high level of professional competition in the Chinese stock market, the presence of a constant struggle for profits from trading securities between different economic groups of influence, however, in the presence the specific flavor of this struggle, determined by traditional Chinese culture. Content analysis of appeals shows both the presence of a clear organizational structure and social rules of this struggle, and the presence of a clear social hierarchy, which manifests itself in this struggle and influences it, its process and results. Traditional culture does not allow this structure and this hierarchy to collapse, and the struggle to turn into a social conflict, that is, beyond what is permitted by the professional community, thereby supporting and maintaining stability in complex communications between investors in the stock market.

On the other hand, the content analysis of the requests also showed the commitment of stock market participants to Chinese Confucian culture, which implies the need for closer, almost family-like communication, even in the environment of professional and business relationships. A specific example is the widespread use of “brother” (junior or senior) addresses, suggesting the presence in quite professional communications, communications regarding making a profit from trading securities, fraternal support, mutual assistance, patronage over a younger and less experienced investor. Of course, Confucian culture, latently manifested in constant communications between investors, allows not only to quickly establish the necessary business contacts, but also allows you to maintain high moral standards of communication, even when it comes to competition for maximum profits from trading securities.

Undoubtedly, appeals based on the perception of social relations and social status, such as “teacher”, “friend”, “countryman”, etc., attract attention. They precisely demonstrate a high level of trust, the presence of a “credit of

trust”, which also becomes a manifestation of the influence of traditional Chinese culture, where trust is one of the highest and most valuable virtues. And in the system of market relations, it is communications based on trust that significantly reduce transaction costs, which is especially important for increasing the efficiency of activity in the stock market¹¹⁸.

It is interesting that for companies – non-living subjects of the stock market, whose shares may be of interest to investors at the moment, participants in transactions on the stock market often use anthropomorphic names¹¹⁹. For example: “Look at brother Unicom, why not bargain for him”; “All my friends have raised the price, but you haven’ t yet” (by “friends” we mean shares of a number of companies).

The content analysis also revealed some specific phraseological units that reflect the peculiarities of Chinese culture, used by investors during the discussion and implementation of transactions. There are such examples:

- Belief in “lucky numbers”. For example, the phrase of one of the investors that “a combination of numbers where there are two eights is a powerful combination” (the number “8” in Chinese culture is associated with luck and wealth), i.e. shares with this number need to be bought urgently, as they can certainly make a profit.
- Caution and ability to anticipate. In the course of interpreting the results of content analysis, for example, we came across the following statement from one of the investors, warning against unnecessary risk: “A gentleman should not stand next to a falling wall” (a proverb from the ancient Chinese treatise Mencius).

¹¹⁸ Zhen Yuhei. Cross-cultural study of types of appeals // Bulletin of Nanding University. 2000. № 3. P. 126. (In Chinese)

¹¹⁹ Du Xiaotong. Socio-economic development of the Chinese stock market in the context of digitalization / Global social processes 3.0: social management and economic development in a digital society (Collection of articles) / Ed. A. V. Petrova (chief editor), K. Yu. Besedina, K. I. Gavrilova, E. M. Lukina, S. S. Pogorelaya, Yang Yunke. St. Petersburg: Asterion, 2022. pp. 55-60.

- The desire to distinguish reality from myths and illusions. During the research, for example, we came across the following statement, which appeared during the Song Dynasty: “Only fools tell their dreams.”

- Importance of traditional holidays. As an example, the statements of some investors: “Waiting for the Spring Festival (Chinese New Year) can lead to an increase in stock prices” or “The closer the Spring Festival, the greater the profit” (for example, about shares of companies that produce a variety of products for the New Year holidays in China).

Thus, additional analysis of investor statements also indicates the significant influence of traditional Chinese culture on the process of transactions and purchases of shares on the modern Chinese stock market.

As a result, it should be noted that the results of the content analysis confirmed the fact that traditional Chinese culture, permeated with Confucian philosophy and ethics, to this day significantly determines the work of the stock market in China, structuring social communications between investors, setting frameworks (patterns) behavior of participants in transactions on the stock market, stimulating trusting relationships between them, thereby reducing the level of transaction costs. Trust and maintaining friendly contacts between participants in transactions on the stock market largely determines the stability and possibility of growth of this market in China. The traditional culture of China also gives social communications in the stock market a certain national flavor, which distinguishes the Chinese stock market and the behavior of its participants from other stock markets in other countries. Although cross-country sociocultural comparisons of the functioning and development of stock markets require further separate research in the field of sociology of finance.

2.4. Conclusions and recommendations for the development of the stock market in China and Russia

Conducted expert interviews, questionnaires and content analysis allowed us to confirm the hypothesis that sociocultural factors have a significant impact on the interaction and behavior of participants in the stock market. Let's take a closer look at the results.

Hypothesis-consequence 1: the Chinese stock market is the result of the influence of global economic transformation processes, and at the same time a process of glocalization is taking place in it, confirmed.

These studies showed that the formation and development of the modern securities market in the PRC occurs in line with the processes of global transformations in the field of finance, which influence the structure, mechanisms, and instruments used in the Chinese stock market. Nevertheless, a stock market with Chinese characteristics has emerged in China, which is manifested, among other things, in the influence of specific sociocultural factors and the traditional cultural environment on its operation.

Hypothesis-consequence 2: in China, investors prefer to be closer in business relationships with clients or colleagues, because based on close relationships it is easier to work and a higher level of trust is formed, confirmed.

As for the interaction between stock market participants, most experts are accustomed to getting to know other participants through close friends and believe that the key aspect of the relationship is trust. They build long-term social communications, thereby satisfying material, spiritual or social needs.

Close trusting relationships are perceived as a powerful tool for increasing the efficiency of economic activity in the stock market. It is important to increase relationships of trust that are formed in the process of constant social communications, both business and informal (entertainment, hobbies, interests, help, greetings, gifts). Traditional culture and Confucianism influenced the implementation of the principles of trust, stability, prudence, mutual assistance and the desire for self-improvement in relations on the Chinese stock market,

therefore most investors, consultants, and other participants in transactions in the stock market not only strive for immediate material gain, but also strive for strengthening social connections, on which their status and stable work in the future largely depend. The results of the study show that in the Chinese stock market, for the majority of its participants, the interests of clients are at the center of attention. Provided that social relationships are properly managed, even if there is a conflict, it can always be resolved through communication, which is quite in line with Chinese Confucian traditions. At the same time, the restrictions imposed by traditional social and cultural norms on the behavior of stock market participants also affect the work of consultants, for whom there are also very clear moral and ethical requirements when working with clients.

The desire among stock market participants to establish closer friendly relations was also confirmed by the results of content analysis. According to the results of the content analysis, it was also confirmed that traditional Chinese culture, permeated with Confucian philosophy and ethics, to this day significantly determines the work of the stock market in China, structuring social communications between investors, setting the framework (patterns) of behavior for participants in stock transactions market, stimulating trusting relationships between them, thereby reducing the level of transaction costs. Trust and the maintenance of friendly, almost family contacts between stock market participants largely determine the stability and possibility of growth of this market in China.

Hypothesis-consequence 3: traditional Chinese culture (Confucianism, belief in “lucky numbers”, the Chinese calendar, cultural symbols, etc.) influences the behavior of investors, was also partially confirmed.

There are two groups of investors - with a “Long-term strategy with an orientation towards wisdom and security” (the basis of their views is that it is better to wait to get more profit) and “short-term tactics”, but also with an orientation towards faith in Chinese traditional symbols. Both groups in their economic activities appeal to Chinese sociocultural specifics, but in different

ways. As investors age, their interest in “short-term tactics” (making quick profits) gradually decreases, while “long-term strategy” becomes more relevant. The study found that the culture of long-term investment is also a sociocultural specificity of Chinese economic life. However, according to the survey results, focusing on a “long-term strategy” does not guarantee a higher level of income. Those who receive quick money, but based on traditional Chinese values, are more satisfied with their activities in the stock market. Such investors have the characteristics of “gamblers”, but at the same time “listening to the advice of relatives and friends.” Also, the decision-making of stock market participants is influenced by such indirect cultural factors as specific perceptions of the names of joint-stock companies, traditional holidays, belief in “lucky numbers”, etc.

Another interesting fact is that the higher the level of education and income of respondents, the higher they assess the influence of culture on the securities market and their actions on it.

Hypothesis-consequence 4: The actions of participants in the stock market can mainly be attributed to value-rational ones, which was partially confirmed.

As a result of the study, it was revealed that in addition to economic factors, such as economic conditions, economic cycles, value-rational actions, emotions and market participants also matter. They influence both stock prices and consumer-investor behavior. Both the interviews and the survey showed that the understanding of rationality in the stock market is very different from the understanding of rationality in traditional economics. The understanding of rationality is relative, and there is no standard and universal definition and standard meaning. Likewise, both groups of investors (with long-term strategy and short-term tactics) are guided by different rationalities, in accordance with socio-cultural experience.

Experts noted that those who currently become investors and experts in the stock market seek to improve their status in society; there is a fashion for the profession and source of income. When this niche first appeared and experts got jobs, this fashion for the profession did not yet exist. According to the

questionnaire survey, during the reforms, many young people entered the stock market to work, and the number of women investors is also increasing, with more than 60% of respondents under 35 years of age. Although 60% of respondents are men, there are more young female investors than young male investors. Women investors are now becoming a major group in investing.

It was also noted based on the results of the study that the behavior of investors is characterized by excessive anxiety, and their activities by a lack of sufficient professional knowledge. In addition, cases of outright speculation are recorded. Therefore, the state in China needs to take further actions aimed at improving the securities market system and effective control to protect the interests of stock market participants and ensure its efficient, uninterrupted operation. Experts disagree on the need for further liberalization or tightening of political and legal norms. In this regard, the author, based on the results of the study, proposes below a number of recommendations for improving the functioning of the stock market in the PRC.

Recommendations for the development of the stock market in China:

- Culture does influence the behavior of staff in brokerage firms, causing investors and staff in general to maintain relatively close and friendly social relationships. However, at the same time, work-related stress and the pursuit of purely material interests always challenge the moral values of staff. The moral and ethical component of personnel training should be strengthened. It is recommended to conduct regular training of employees on industry standards of ethical and moral standards, as an important socio-cultural factor. Companies operating on the stock market must implement compliance control systems, as well as codes of corporate ethics.

- The existing system of performance appraisal and personnel incentives on the part of companies operating in the stock market is the main reason for violation of ethical standards by personnel. Modern companies need to develop an effective corporate culture and establish not only formal indicators of “productivity” and sales efficiency, but also encourage adherence to moral and ethical

standards, in accordance with Chinese cultural values. For example, you can introduce a system of feedback from clients, which will include such assessment indicators as integrity and responsibility (based on a basic assessment of the activities of investors on the websites of brokerage companies). The more responsible the employee is and attentive to the needs of the client, the more long-term relationships he will be able to build, which in the long run can have a positive impact on the accumulation of client capital of brokerage companies.

- Nowadays, the job of training new investors entering the securities market is very rigorous, but there are still situations where investors lack basic knowledge. Securities trading and the stock market are now very complex and it is necessary to implement a system of continuous education for investors. For example, it is important to introduce regular refresher courses from securities trading companies, and securities regulators could implement a system for regularly testing the knowledge of brokers and dealers.

- It is recommended to establish investment awareness and avoid speculation. For example, it is recommended to popularize basic investment concepts through a series of media broadcasts in order to protect the interests of investors.

- It is recommended to strengthen supervision of listed companies. The disclosure of inappropriate information about listed companies must be strictly limited through robust laws and regulations. It is recommended to strengthen the cultural and moral education of employees of listed companies and their managers, and create a system of supervision over improper transactions.

- It is recommended to exercise strict control over the manipulation of large funds in the market, and establish a mechanism for a system of punishment and return of funds. The delisting system for listed companies should be improved to protect the interests of investors.

Recommendations and possibilities for applying the research results for the development of the stock market in Russia:

The stock market, as a key financial institution, has become increasingly popular for private (retail) investors in Russia in recent years. And China's experience could also be useful for the development of the stock market in Russia. The results of this dissertation research can also be used in the implementation of this important task of economic development. For further study and development of the stock market in Russia, the following recommendations can be proposed:

- It is recommended to pay attention to the features of social interaction between stock market participants in Russia and apply similar methods of stimulating them to closer social contacts in order to increase the level of trust in existing market conditions, for example, between clients of brokerage companies and brokers.

- Recommendations developed based on the experience of developing the Chinese stock market can also be applied to improve and regulate the stock market by government authorities in Russia. For example, it is important to strictly control the manipulation of large funds in the market, and establish a mechanism for a system of punishment and return of funds to ensure the rights of investors and clients.

- The results of a questionnaire survey among private investors can be used for a comparative study of the economic behavior of private (retail) investors in China and Russia, and can also become material for training private investors in Russia in order to familiarize them with the peculiarities of the functioning of the stock market and improve the level of financial culture.

- The empirical part of the dissertation, including a questionnaire survey of private investors, in-depth interviews with experts and content analysis of interactive messages of various groups of stock market participants, reveals the main characteristics of social communications between participants in the Chinese stock market, which can also serve as materials for further in-depth

research of the stock market in Russia and for the development of Russian sociology of the fund market.

- The classification of the historical stages of the formation of the stock market in China can also be used to develop a similar classification of the history of the formation of the stock market in Russia, because its history goes back centuries and is also complex and interesting.

- It is recommended that a legislative framework be established to govern online financial literacy courses and collective investment. During the COVID-19 pandemic, the Russian stock market has experienced tremendous development, primarily due to a sharp increase in the number of retail investors. More and more retail investors are starting to learn about the stock market and trading stocks online by taking part in various online courses and financial literacy activities. It could be recommended to continue the implementation of the policy of increasing the financial literacy of the Russian population, also using the experience of training retail investors in China.

- It is recommended to strengthen government regulation of the stock market in Russia. For example, it could be recommended to set a limit on the level of possible fall or rise in stock prices during one trading day at 10% or 20%, as in China.

- It is also recommended to improve the institutional environment for the work of brokers and brokerage companies in the direction of developing relationships of trust based on traditional cultural values.

Conclusion

We can say that the stock market as an object of sociological analysis has gone through a long history of formation. Despite the fact that economic science began to consider markets and the processes occurring in markets since the end of the 16th century, economists sought to consider stock market participants impersonally. Researchers became especially interested in the market as an object of sociological science at the beginning of the 20th century. Since the explanatory structures of economic science have become insufficient to describe the ongoing processes, sociologists began to explore hidden factors and take into account external factors when analyzing stock markets, in particular the influence on the economy of such factors as social norms, values, social networks, social institutions, irrational actions . Through theoretical and empirical research, it has been established that the stock market, as an important field of interactions in public life, is strongly influenced by sociocultural factors.

The hypothesis that sociocultural factors influence interactions in the stock market was confirmed.

The securities market in China has gone through several historical stages over the past 100 years, the basis of which is sociocultural characteristics. The history of Chinese financial culture is one of borrowing, conflict, integration and innovation. As a result of a century of development, China now has its own stock market with Chinese characteristics. Global transformations have made the stock market in China open, but they have also brought a number of contradictions into economic life and the work of the stock market. The influence of these contradictions is softened under the influence of traditional culture and traditional values.

As a result of the analysis of theoretical sources and the results of empirical research, both common sociocultural factors for stock markets in different countries and the specifics of the stock market in China were identified. Among the identified sociocultural factors influencing the stock market in China are: traditions and customs, moral and ethical standards, religious norms, social needs,

political and legal norms, fashion for the profession, level of education of market participants.

It was revealed that the actions of securities market participants in China are not purely rational, but rather they could be classified as a value-rational type, if we use the classification of types of social action proposed by M. Weber. In addition to obtaining material benefits, participants in the Chinese stock market are also interested in whether their behavior deviates from traditional sociocultural norms, rules, traditions and customs.

The study identified two groups of investors - with a “long-term strategy” focused on wisdom and caution (which is determined by Chinese Confucian views on economic activity: patience is the basis of success) and “short-term tactics” of risky investments also focused on faith in traditional Chinese values . Both groups appeal to Chinese sociocultural specifics in shaping the motivation for economic behavior. The study also showed that those who receive “quick money” are more satisfied with the results of their economic activity, but while focusing on traditional Chinese values.

In this way, the concept of subjective rationality is formed, which is also noted by experts. For example, a long-term strategy can act as a special type of rational behavior of investors, since Chinese residents prefer small steps to achieve significant results in the future, which is also due to traditional culture.

Another important point is maintaining stable, strong social relationships with other participants in the securities market. According to the findings of the dissertation research, participants in the Chinese stock market strive to create sustainable communications based on common sociocultural values, the main one of which is trust. For example, stock market participants can spend leisure time together, take part in festive events, etc. This behavior is quite rational, since it has an impact on reducing transaction costs.

According to the results of the study, there is a high interest among young people in professions related to the stock market, as well as retail investing. This niche is becoming most in demand at this socio-historical stage of development of

the PRC economy. In this regard, it is recommended to pay special attention to the inclusion of young participants in the activities of the stock market, and establishing a balance between rationality, profit and material interests and compliance with sociocultural traditions, maintaining morality, and focusing on Confucian ethics. The work provides a number of practical recommendations that will allow investment companies, investors and the state as a whole to maintain a balance between material gain (rationality) and sociocultural norms.

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Expert interview guide

Biographical experience

1. Tell me about your experience in the stock market. Why and how did you start working in the stock market?
2. What is the stock market and trading for you?
 - Definition?
 - What is it associated with? (nouns, adjectives, verbs)
3. What does the stock market give you? How has your experience in the stock market affected your life? (for example, a profession provides an opportunity to improve one's social status, a higher salary, the opportunity to meet representatives of the financial elite, social connections, and receiving other benefits)

Processes of global transformations and glocalization

4. How has the stock market changed during your tenure? What changed? What influences these changes?
5. How do global transformation processes affect the Chinese stock market?
6. What is the difference between working on stock markets in China and other countries? What are the typical Chinese features and characteristics of the Chinese stock market? What are the sociocultural factors influencing the performance of the Chinese stock market?

Social relations and values

7. How do you build new relationships with people in the stock market? How do you build relationships with unfamiliar clients or partners? How to attract new clients?

(Confucianism and social capital)

8. How important is it to create friendly relationships with clients/get closer to your partners and clients? What are you doing for this? (gifts, lunches, joint leisure/weekends, appeals). Tell us more.

9. How does Confucianism affect the stock market? What moral values and principles, in your opinion, influence activity in the stock market? (investors/organizations)

10. What are the specifics of working in the stock market for men and women?

11. How to establish a balance between material interests and maintaining social relations?

12. What do you do in a situation where there is a conflict between personal interests and the interests of the client? Give an example.

Investment behavior

13. What factors influence stock prices, in your opinion?

14. How do you understand rationality and irrationality in the stock market? What irrational factors do you think exist in China's stock market?

15. How much do these factors influence customers' decisions to buy or sell securities in the stock market? Which ones matter most? (company name / lunar cycle / seasonality / political situation / lucky numbers / advice and opinions of relatives and friends / advice and opinions of experts or your manager / news or information related to stocks / income)

16. What types of clients and their investment strategies could you name? (classification from an expert)

17. How do you understand speculation? What are its consequences?

18. How financially educated are stock market participants? What knowledge is important to have? What do you recommend studying?

19. How do you think the stock market in China can be improved?

Информация об экспертах Information about the experts

Classification of experts by type:

Type 1. Experienced stock market workers holding senior positions (personnel in stock companies, government and other organizations).

Type 2. Professional stock market participants are people who earn money only in the stock market, that is, this is their profession. For example, different funds, experienced investors.

Type 3. Customer service specialists with extensive experience.

Experts:

1. Investment consultant for a brokerage company, working in the securities industry for more than 5 years, with excellent results. After graduation, she worked for a securities trading company, primarily responsible for client service and fund sales. Woman. Type 3.

2. Head of department of a brokerage company, worked in the securities trading industry for 16 years. After graduating from university, he worked as a teacher for 4 years. After joining the brokerage company, he primarily held the position of client service specialist. Currently responsible for department management. Man. Type 1.

3. Regional head of a brokerage company, worked in the securities trading industry for 12 years. After graduation, he worked for a securities trading company. Now he is responsible for managing the branch in this region, and works with listed companies on the stock exchange. Man. Type 1.

4. General manager of the brokerage company department, worked in the securities trading industry for 17 years. After graduation, she joined a brokerage company and is currently responsible for company management and staff training. Woman. Type 1.

5. Investment consultant for a brokerage company, working in the field of securities trading for more than 20 years. With a background in economics, he works for a securities trading company and is primarily responsible for customer service and fund sales. Man. Type 3.

6. Partner and head of a fund company, worked in various financial organizations for more than 16 years. After graduation, he worked successively in a bank, a securities trading company and a stock company. At the brokerage company, he was responsible for customer service and market analysis. Currently working for a well-known fund company, he independently manages several mutual funds that attract private equity capital. Man. Type 2.

7. Head of a brokerage company in the province, worked in the field of securities trading for 13 years. Mainly responsible for managing the provincial branch and dealing with listed companies. Man. Type 1.

8. Head of a bank in the province, worked in the financial sector for more than 20 years. Has extensive experience in cooperation with securities trading companies. Man. Type 1.

9. Investment consultant for a brokerage company, has been working in the field of securities trading for 9 years. After graduation, he began working in a brokerage company, where he holds the position of customer service specialist. Man. Type 3.

10. Professional investor who has worked in a brokerage company for more than 20 years. She has extensive experience from a simple cashier, department head, regional general manager, to head of work with listed companies. Currently working with investments in securities. Woman. Type 2.

11. Head of department of a brokerage company, worked in a securities trading company for 9 years. After graduation, he successively worked in banks and stock companies. He is currently responsible for managing a department at a brokerage company. Man. Type 1.

12. Department manager of a brokerage company, worked in a securities trading company for 8 years. After graduating, she immediately began working

at a stock company. Currently, she is involved in staff training and team management at a brokerage company. Woman. Type 1.

Interview transcript

Interviewer: Hello, thank you very much for agreeing to my interview! I am studying the socio-cultural factors affecting the stock market and hope to get your opinion on issues related to the stock market, which will be very useful for my research. Could you briefly describe your work experience?

Expert: Hello! Your research certainly sounds very interesting. I entered the securities industry relatively early and have worked for securities firms since 2000. When I first joined the company, I didn't know much about the capital market, so I started learning from the simplest job - a cashier, such as how to open securities accounts for clients. During this process, I took numerous securities firm exams. Because I have relatively high standards for myself, I passed all five exams in one sitting, including securities, trading, fundamentals of investment analysis, issuance, and underwriting.

Interviewer: Is it true? You are diligent! As far as I know, the exam is very difficult, how did you pass all the exams at once? Under normal circumstances, securities firms only require employees to pass two exams, right? Why did you want to get all the qualifications?

Expert: Yes, I passed all the exams at once, I am a very inquisitive person, so I want to study all the subjects. The exams were difficult, and my stock of knowledge at that time was not enough to pass all the exams, but my idea was simple, study a lot and try. After passing the exam, I felt that although the financial market is very professional, it can be learned quite well if you study hard.

Interviewer: Could you tell us more about where you work?

Expert: At that time, I studied on my own, working as a cashier. I worked in the retail trading floor for individual investors, which included trading tables, electronic screens with stock information, and retail investors. Therefore, my

communication and interaction with clients was very straightforward and simple, and every day different clients of our company came to talk to me face to face.

Interviewer: So what made you move to another position?

Expert: After I gradually got to know all of our company's clients, I gained some experience, so the company put me in charge of serving high net worth investors. At that time, our building had large and medium-sized rooms, and the clients who could occupy seats in them had a lot of money. As an employee, I need to be in constant contact with clients to help them and solve some of the problems they face in investment transactions, and interaction with clients occurs very frequently. After working for two years in this securities company, I moved to another very good public securities company. When I first came to work for this company, I was also assigned to work in the retail investor lobby, there were a lot of clients, and I felt like I was in a sea of retail investors every day.

Interviewer: This is a situation that is difficult to see in securities firms right now. Most securities firms have eliminated lobby trading on their premises, and investors also now use personal computers and cell phones so they don't need to come to the floor to trade stocks.

Expert: Yes, now almost no one will do this; everyone now uses websites to do business. But at that time I had a lot of communication with our company's clients every day. Of course, these clients were quite ordinary and not graduates of economic universities, but I was still able to gain very interesting knowledge from them, because many clients watched the market in the lobby all year round. With an average of 8 to 10 years of investing experience, their understanding of the market may not be as deep, professional, or powerful as that of the experts, but these clients also had interesting financial management insights from observing the K-line and the market on a daily basis. They also had experience in technical analysis of trading in the stock market. At that time, I also constantly learned from them, as they did by watching stock prices and their constant changes every day. This is the only way to gain the necessary experience.

Interviewer: Speaking of these indicators and technical analysis, what impact do you think they will have on personal investment decisions?

Expert: I think this is just an entry level knowledge because there are various trades and changes happening in the stock market, right? No one is an expert, and no one can accurately predict market changes all the time. Everyone has their own way of analyzing and understanding the market. There were a lot of elite retail investors at the time, and they made money in the stock market, so I learned technical analysis from them. In addition to ordinary individual investors, clients trading in medium and large securities firm accounts hold very large amounts of funds. Moreover, we can say that it is more rational. They also constantly analyze economic policies at the macro level, individual sectors and sectors of the country's economy. Although they do not specialize in finance, they have a deeper understanding of the market than the purely technical (regular lobby investors). In the course of my work, I constantly improved my knowledge system and formed my own understanding of the capital market.

Interviewer: As far as I know, you have been involved in management work in securities companies for many years, you can share your experience in this regard?

Expert: Three years after I started working, I began to have a good understanding of many of the activities of securities firms and banks. Securities companies must find banks to cooperate with, meaning securities companies entrust their clients' funds to banks for transfers and other important transactions, and investor funds are usually transferred between banks rather than between securities companies. At that time, securities companies needed to recruit large numbers of marketing specialists and place them in banks. I was responsible for managing the recruitment and training of new employees, teaching them basic knowledge of the securities market, customer marketing skills and some negotiation skills. The specific process is as follows: the securities company's marketing personnel introduce the bank employees to new clients (securities investors) and open bank accounts for depositing funds for investing in stocks,

and the bank personnel introduce the company employees to the securities they intend to open securities accounts of bank savings clients. This is a mutually beneficial model of cooperation between banks and securities companies. For some time this business became the main business of banks and securities companies. The method of sending securities firms' employees to work in banks has gradually become a major channel for attracting new clients. To this day, banks are still an important channel for sourcing securities clients. After working for several years, my understanding of the stock market has increased, my experience in managing a team has increased, and I have also gained many regular investor clients, and the performance is very good, so when our company intended to promote a group of young general managers of the sales department, I got this opportunity for promotion. At that time, it was necessary to create a sales department from scratch, and my sales department employed more than 50 people. At the beginning, the sales department's customer assets were 100 million yuan, but when I left the sales department, the sales department's total customer assets reached 700-800 million yuan, and the sales department was profitable. Later, I was promoted to work in the customer service department of the head office, where I was responsible for the management and development of the electronic customer service platform. Later, an institutional department was created at the head office and I was responsible for relations with large institutions such as banks, foundations and similar financial institutions. I still remember that while I was working in the organization department, I went on business trips almost continuously, and although it was hard work, I felt that it was very useful in enhancing my professional status.

Interviewer: Can you tell me more, please?

Expert: In my work with institutional clients, I have met many managers working for private equity firms and banks, as well as many well-known figures in the securities market. Communication with them significantly expanded my horizons and refreshed my understanding of the securities market. Previously, I only knew how to use technical indicators to analyze and study the market, but

after working in the institutional department, I gradually developed my own logic for market analysis. In fact, in the market game, no matter the organization or individual, everyone must have their own weapon to survive, right?

Interviewer: Exactly!

Expert: I had previously dealt with secondary securities for work, but after speaking with many excellent professional institutional clients investing in the primary market, I felt like I was one step closer to understanding the investing process. I began to rethink the role of everyone as a participant in the securities market, what is the meaning of their actions.

Interviewer: Is this your original intention to change careers again? Then how did you retrain from an employee to work on the secondary securities market to an investor on the primary market?

Expert: Yes, I am a person who loves to seek the truth. In my opinion, investments in the primary market can accompany the growth of enterprises. A company is like a small seed. We first plant the seed and then grow the company from the seed into a tall tree through various capital market means. This process closely matches the development of the US stock market. For the stock market, Wall Street and Silicon Valley are very important components. The people who work in Silicon Valley are a group of entrepreneurs with technology, passion and dreams, and Wall Street financiers, analyzing the capital markets and the use of venture capital, are investing more and more in Silicon Valley. As someone who works in a securities firm, I really want to see the whole picture of the capital market, see the broader field and even more want to understand how the capital market works.

Interviewer: What do you think is the relationship between the workings of the stock market and society?

Expert: I think capital and finance must have social attributes because they exist in social life. Finance and the real economy are closely related, I think that if they deviate from the real economy, then the stock market will be a castle in the air. For example, didn't Ma Yun's Alibaba also grow from a small seed? At

that time, Ma Yun wanted to promote his project everywhere, but due to the limited social environment and similar experiences, everyone said that he was just a liar, and no one believed him. Fortunately, Masayoshi Son from Softbank was very astute and saw that the Internet industry was the quality direction for the development of the entire economy, he decided to invest in Jack Ma, and he also made very high profits due to his own knowledge and insight. That's why I am very determined to become a real investor and make choices according to my passions and desires, which is why I left the securities company.

Interviewer: So, can you share your experience as an institutional investor?

Expert: Since 2017, I have been paying attention to various projects in the primary market. For me, this is a process from the ground up, just like when I first joined a securities company as a teller, I need to learn by doing. At the moment I have invested in about 8 or 9 projects, and in 2 companies. And that's exactly what I like to do in the stock market. As a financial practitioner, I have been thinking about the question of what kind of money we make in the capital market, I think this is the main question. In the secondary market, everyone was essentially playing a zero-sum game: money was transferred between investors' accounts, but the total amount remained the same, and stock prices rose and fell every day. And investors there did not create anything new, any added value for society; at best, they paid the state some fees for financial transactions, which is not of particular importance, right?

Interviewer: It is true that the transaction itself does not create any added value.

Expert: However, investing in the primary market is a completely different matter. Starting with a physical project, thanks to personal knowledge of the situation and reasoning based on a strategic analysis of the direction of development of the country and its economy, we can accompany a real company to watch how it enters the capital market, constantly grows and develops. I think that making money in the stock market is based on a constant process of learning,

the more you know and the better your knowledge, the more your actions in the primary market will correspond to your expectations, as well as income. Investing in a company for the long term can also relieve the constant anxiety that can come with constantly watching stock prices fluctuate in the secondary market. Why worry? This is because in the secondary market it is difficult to fully research the companies in which you are investing, and these funds are not unlimited. But at the primary stage it's a completely different matter. Here, a lot depends not on stock price fluctuations caused by chance, but on your analysis of the general situation and knowledge about the company in which you are investing.

Interviewer: Listening to your words is better than reading ten years of books. You also mentioned earlier that you don't have a college degree in economics or finance, so why did you get into the securities industry in the beginning?

Expert: Getting into this industry for a job is a coincidence. After graduating from university, I worked at a provincial foreign trade base for three years, but I felt that foreign trade was not my thing, although the foreign trade industry was booming at that time. Although it is a very good job in an economic sense, with a very high income, a comfortable office environment and a proven social status, it can be said that it is a job that everyone envy and is very difficult to get into and only a very small number of people can get job opportunities , because the company's requirements are very high, but I already felt that this is not the life I would like to live, not the life I like, so I finally decided to leave the trading company. After I finally left, I had the opportunity to work for a securities firm. At that time, it was very difficult to get into this securities company and there were very few openings, but I was very lucky to be hired. But after two years of studying, I found that the people around me seemed satisfied with the status quo and did not have any fundamentally new ideas, so I decided to leave again, and moved to an institutional investment firm.

Interviewer: Can you share your thoughts at that time? Why did you change jobs at a securities firm?

Expert: At that time, I thought that I should strive for a higher level, closer to something new. I think it will be very interesting if a person's life is focused on the search for novelty.

Interviewer: Please define the securities market and securities trading, how would you describe them?

Expert: I understand it on different levels. At the national level, the country definitely hopes that the securities market will become a locomotive for real enterprises; the securities market is actually a tool for macro-control of the economy. Therefore, especially in recent years, you can see for yourself that the country is gradually establishing a multi-level capital market, from the original core finance council, Shanghai market, Shenzhen market to the more recent "ChiNext", the current Science and Technology Innovation Council and the powerful Beijing stock exchange. What is currently being encouraged is the implementation of a registration based listing system. At the national level, the country definitely wants to ensure the development of a full-fledged market, right?

Interviewer: Indeed, for a country, the securities market is an important tool to help the development of the real economy, and the question of whether this tool is flexible and easy to use must be realized through continuous improvement of the system.

Expert: Yes. Looking at the market from the perspective of various funds, there are large national funds, public funds, private funds, qualified foreign investors and a large number of individual investors who fully demonstrate their investment philosophy in the market. If I look at the stock market from my personal level, I think it is a place where it is easy to get lost because the real things in the market may only be a few percent. And it cannot be fully comprehended. Although we must strive for this all the time. But because there is a lot of information in the stock market, many people cannot distinguish

between truth and lies, especially individual investors, most of them listen to information provided by others or are influenced by various factors, instead of striving for investment analysis on their own .

Interviewer: It's true, sometimes investors buy shares of a company without even knowing what the company's core business is.

Expert: There are really many such cases. As far as I know, only 3-4% of investors made real profits in 2022, and a large number of investors simply lost money. Why? I think this is a cognitive problem. Many people naively think that the stock market is a place where one can make a fortune, I feel that these people are like sleepwalkers, living in their fantasies, living in their imagination and rationalizing their behavior in the market like soldiers without weapons. Of course, the state attaches great importance to this, strictly controls and stimulates efforts to educate investors, and guides everyone to purchase investment products for indirect investments in order to protect the interests of retail investors. Our initial task was to review and select good funds in the market, but it is a pity that the stocks bought by many investors still lose value and investors get burned, do you know why? Because in the securities market, most investors strive to purchase expensive assets, following a simple path: the more expensive, the better, thereby making a mistake, for which they then pay with their own money. Therefore, although the government wants to protect investors, it is actually difficult to achieve this because people's minds are very difficult to change.

Interviewer: What impact do you think your work over the years has had on you personally or on your life, or what it has brought you?

Expert: This job is very good, I have always been very grateful to the companies I have worked for, and I am very glad that at one time I chose the securities industry. Because the securities industry is an industry that is at the forefront of economic development, the development of the country. Everyone used to joke that there was a lot to learn about financial investing, from the metaverse, biotech to artificial intelligence, and finally understand that losing

money doesn't matter - it's a cognitive tax you pay. Of course, for me personally, this profession allows me to maintain my ability and desire to learn. I feel like from day one of this job until now my brain is stimulated every day because times are changing quickly. New things appear every day, don't they? Of course, you need to constantly monitor changes and understand them well. For example, shares of companies associated with the implementation of the concept of creating a metaverse have been growing well recently. And it is clear that you need to study the activities of such companies if you want to make money by investing in their shares. I even attended several Metaverse conferences for this purpose.

Interviewer: How do you think this experience affected your life?

Expert: I feel that maintaining a positive and energetic attitude towards learning helps me not feel empty inside. Only the desire to learn new things can give a feeling of moving forward. And I feel this when communicating with peers around me, including classmates and friends, it is obvious that I have certain advantages. Since life should always move forward, one must constantly strive to communicate with new people, and my profession allows me to create a wide circle of communication with specialists in various fields. But not everyone wants to do this. That's why they often complain to me about their boring life.

Expert: I consider such a life, without novelty, joyless and colorless. On the one hand, people's vitality and intelligence decrease, they lose their career platform. Why do many people get sick and find no motivation to fight? Because most people place all their hopes on a single career path and, after retirement, they suddenly lose their goals and incentives to move forward. But I feel like I'm different. Investing has been my lifelong career. I will never lose interest in them. In 10 years, there may be more new technologies and new companies. I will still be able to pay attention to them and be on trend. Of course, I hope that in the future I can grow with young people. Youth are the most influential group of people in the world, they are like the rising sun, full of passion and love for the world, but what they lack is experience, knowledge or money. If everything goes

well for me, even at 70 years old I will be able to communicate with young people and help young investors adapt to the securities market. Of course, it sometimes pains me to see people lose all their savings due to poor investment moves. And it is also important for me to warn them, to help them understand the workings of the stock market. Although my capabilities are limited, I think this cause is very significant.

Interviewer: What changes do you think have occurred in the stock market over the years?

Expert: The market has really changed and investing has become more difficult. Since there are now more shares on the stock market, they are more difficult to verify, but control in the country has become stricter. In the future, after the implementation of the new registration system, individual investors will face more severe challenges. But individual investors now require greater professionalism and the ability to think ahead. Of course, the same applies to other market participants: I noticed that many fund managers of stock companies were popular among individual investors, like movie stars. And we should not forget about the growing competition between investors.

Interviewer: How do you assess the impact of the current process of global economic transformation on the Chinese securities market?

Expert: Currently, everyone is most concerned about the global economic crisis and opportunities for the development of the stock market. Over the past few years, many well-known Chinese companies have been listed on the US stock market. This is why China must liberalize its registration system. Previously, we had an audit system that placed very strict requirements on the financial and operational aspects of the company. Some growing companies, because they could not meet auditing standards, chose to operate in the United States, at best the capital market and Hong Kong capital market listing. However, recently it can be found that many Chinese joint stock companies have begun to return to China in the face of increasing economic confrontation between China and the United States. I think this phenomenon will have a relatively large

impact on the Chinese equity market in the future. Currently, US high-tech companies, including some financial companies, are laying off workers, which is actually a signal that the global economic situation is not very positive, and both capital and companies will move to places with more promising development. It is worth noting that on the eve of the Spring Festival, a large amount of foreign capital poured into the Chinese securities market. Why? I think this is due to optimism about the lifting of anti-epidemic restrictions in China. Once restrictions are lifted, consumer and investment demand in China will likely recover (and grow substantially). Although global changes also caused certain problems and had a significant impact on the Chinese market, nevertheless, China was able to stabilize its economy and became very attractive for foreign investment. There are already positive examples.

Interviewer: You just talked about the impact of global economic changes on the stock market. Do you think there is a difference between the Chinese securities market and the same markets in other countries? Are there any specific features of its development for Chinese companies?

Expert: The growth of foreign companies is similar to the example I just mentioned. Foreign companies prefer the venture capital market. They invest rapidly, but then the influx of investment slows down. Chinese companies prefer stable and long-term investments. Everyone has their own strategy for entering the market and working in the stock market. Most foreign participants in the securities market are institutional investors, and the share of individual investors is very small. Institutional investors can be more rational and value businesses based on their market value. The structure of the securities market is different, there is a large number of individual, retail investors, which, however, can easily lead to speculation. However, the Chinese government is currently supporting venture capital investments. For example, there are currently many government funds. They determine the direction of development of various sectors of the economy, help Chinese enterprises develop, protecting the rights and interests of investors. I believe that in order for the stock market in China to develop further,

firstly, it must have high-tech stock companies, secondly, it must have efficient professional investment institutions, and thirdly, the market must feel supported and state control.

Interviewer: Having worked in the securities market for so many years, you have had contact with a wide variety of market participants. How do you usually build relationships with them?

Expert: On the one hand, when I worked at a securities firm, we often visited institutional investors. These were business visits because the securities company I worked for is a very efficient company. Since I took on many of the responsibilities for solving the problems of investors with whom my company worked, investors also constantly shared important information with me. This is how I made many like-minded friends. And this is very important in our work on the stock market, where trust is necessary. Moreover, in everyday life, investment-related topics are of great interest to most people. When I talk to strangers about investing, at some point I always strike a chord or find a common topic of conversation.

Interviewer: You just mentioned resonance and common themes. We often see that many securities market workers and their clients become friends. What do you think about it? Are close friendships, both professional and personal, important in the stock market?

Expert: It's right. Close friendships are very important for cooperation. Especially for those who work in the securities industry, because the responsibility is very great. We need friends, we need to share information. I often drink tea with my business partners and exchange views on financial matters. All together, everyone has their own opinion, and there are common themes that can create more opportunities for collaboration. To work effectively, you need a team, you need to be able to listen to other opinions, take them into account, especially if these are the opinions of experts who perceive you as a friend. It is so?

Interviewer: Yes.

Expert: Individual investors also often communicate with each other, talk about what they did, what stocks they bought, how much money they lost or earned today, and they also need a channel to express their emotions. When an investor is doing well, he hopes to share the joy with his friends and earn even more money. For example, if I invite an investor to lunch, he will want to share his positive emotions with me; sharing a meal brings people together like nothing else. After all, there is no better therapy for the problems and stresses that abound in the life of any stock market participant than a party with friends who also understand you well, because they have the same profession as you. Many investment managers practice meditation, although I prefer to just talk with friends.

Interviewer: How do you feel about traditional culture and values such as Confucian ethics? Do they somehow affect the functioning of the securities market?

Expert: I think the influence of traditional culture is enormous. For example, many investment managers I know practice meditation, and I have found that more and more of my colleagues are choosing meditation, which is a spiritual practice. Investing is a high-stress profession that requires learning a lot of information every day. The fund manager, in particular, has enormous responsibility and must be held accountable for investors and the performance of the fund. If he doesn't do a good job and chooses relatively poor quality stocks, he will face pressure from clients to sell too many shares. The valuation pressures that fund managers face are very heavy and brutal. But a fund manager is also a person, how to regulate this pressure? How to regulate internal emotional changes? Traditional Chinese culture offers its own ways of relieving stress and emotional stress.

Interviewer: Yes, young people nowadays usually feel a lot of emotional pressure at work. For example, I am interested in traditional Chinese calligraphy. An excellent remedy for relieving emotional stress.

Expert: Yes, whether it is Confucianism, meditation or Buddhism, they all help you find yourself, help you recognize and find your true face, right? They help you remain yourself, despite external circumstances. Some people take external factors too seriously, they think every day that this person is treating me badly today, I feel as if a stone was thrown at me and I feel unhappy, my fund has lost money and the client may be I'm very dissatisfied with this, or even came to scold me, what should I do... Of course, any spiritual practices of self-improvement can help and support. And traditional culture helps to maintain identity in any situation, any changes.

Interviewer: What are the specifics of working in the stock market for men and women?

Expert: Men are very active, but more impulsive in transactions on the stock market, while women are more patient, sometimes more cautious. But in the capital market, it is not the one with strong emotions and a competitive spirit who will win. The stock market is actually a lot like a marathon, which is why sometimes women in China are not as energetic as men. According to my many years of observations, for example, men can buy shares on the advice of a good friend, and they are more willing to trust such a friend - friendship is important. However, if the same is offered to women, women are likely to ask what the company does and what the current economic situation is, and analyze its activities relatively objectively. Sometimes a stock loses value quickly and the broker quickly becomes impatient. The man thinks that the investment in these shares was not successful and sells the shares. And women are more likely to wait a little longer because they are more cautious and do not want to trade at a loss. Although, there are probably more stereotypes in assessments of the actions of men and women in the stock market that do not correspond to reality.

Interviewer: What do you think is the quantitative ratio of men and women in the Chinese stock market?

Expert: There are more men than women.

Interviewer: In the securities market you encounter money and different people, how do you establish a balance between material interests and maintaining social relations?

Expert: I think people should try to strive for justice as much as possible, that's the most important principle. You can make money endlessly, right? There's no limit, right? But excessive passion for such "money making" only increases the chances of making mistakes. In addition, aimless spending of funds is the most important mistake. Investments in the stock market always have a specific goal - maintaining economic development and its high rates. It is important to attract financial resources for this development, for each specific enterprise. We must not forget about this. This is what the stock market is for. The goals of society are most important.

Interviewer: Have you ever encountered a conflict between your personal interests and the interests of the client?

Expert: Certainly. But I do not put personal material interests above public ones, this contradicts my principles. It's impossible not to make mistakes, so the chances of making mistakes should be reduced as much as possible, right? And the client's interests come first; mistakes cannot be made at his expense. After all, he entrusted his personal funds to me.

Interviewer: Now I want to ask a question that is of great interest to you, but perhaps a little broad. In your opinion, what factors influence the stock price?

Expert: This question is really difficult to answer. In my opinion, stock market prices are influenced by various factors such as the amount of capital, investor sentiment and the goals of various interest groups. Let's give an example to clarify. The stock market often reflects some very interesting social manifestations of people's emotions. For example, on Valentine's Day, February 14, shares that are at least somehow related to this informal holiday may rise sharply in price.

Interviewer: In your opinion, what factors influence stock prices in the long term?

Expert: In the long term, the price of shares depends on the economic situation of the company that issued them. Although, of course, investor sentiment also plays an important role. In general, the fluctuation of a company's stock price is similar to a man walking with a dog: no matter in which direction the dog moves, it will end up running around its owner.

Interviewer: Do irrational factors influence stock prices or investor behavior in the stock market?

Expert: Of course, very often. Most of these factors are short-term factors that will influence investor behavior. But they still have an impact.

Interviewer: How do you assess the level of financial literacy of stock market participants? Do you have any proposals aimed at increasing it?

Expert: Some securities firms place great importance on investor education. Share professional knowledge through various courses, lectures and offline events and help everyone to participate in securities investments in the form of purchasing shares. Investing in securities requires more than just professional knowledge in finance. It is also important to understand how the economy as a whole is developing, how individual enterprises whose shares you trade on the stock market operate. Of course, knowledge from the field of management, macroeconomic regulation and even public relations is important.

Interviewer: Last question: what suggestions do you have to improve the functioning of the stock market?

Expert: When we invest, we are most afraid of problems from listed companies, which entails financial risks. But there is hope that the state will strengthen control over the disclosure of information by listed companies.

Interviewer: Thank you for taking the time to participate in the interview!

Questionnaire of investors on the stock market

General information

1. Gender

- Male
- Female

2. Age

- Up to 25 years old
- 26-30
- 31-35
- 36-40
- 41-45
- 46-50
- 51-55
- 56-60
- More than 60 years

3. Is making transactions on the stock market your additional way of earning money or your main job?

- Additional investment method
- Main job

4. What kind of securities are you buying?

- Stock
- Fund
- Others

5. How long have you been trading in the stock market?

- Less than one year
- 1-2 years
- 2-4 years
- more than 4 years

6. How often do you trade in the stock market?

- Every day
- More than 10 times a month
- Less than 10 times a month
- I don't make purchases

7. Educational level

- Student of a special course
- Bachelor
- Master's degree and above
- Others

8. What is your income level

- Low
- Below average
- Average
- Above average
- High

Social needs and socio-cultural factors

9. Participation in the stock market provides different opportunities. Rate each of the criteria from 1-10. What does participating in the stock market give you? (you can choose different answer options)

- Gain huge profits in the short time

- Gain huge profits in the long run
- Self-development, interest in studying the market and stocks

(introduction to the stock market)

• Being together with loved ones and friends, discussing a common topic with them

- Help friends and family
- Opportunity to meet new people and unite by interest
- Initiative, independence
- Increasing material well-being
- Freedom
- Status, position in society
- Excitement, possibility of risk
- Possibility of stability, airbag

10. How much does each criterion affect your purchase of securities on the stock market? (scale from 0-10, where 10 is the maximum)

- Amount of free money to invest
- News or information related to the promotion
- Political and economic situation in the country
- Advice and opinion of relatives and friends
- Your advisor's advice and opinion (where a brokerage firm appoints an advisor to assist a client)
- Opinion of a specialist expert (any expert who works in this industry)
- Lucky numbers (selling or buying prices of shares)
- Company name
- Traditional Chinese calendar, holidays, seasons

11. What do you do after buying a stock?

- I often trade stocks

- I trade stocks relatively often
- I rarely trade stocks
- I don't trade stocks before they are sold.

12. To what extent do the benefits from buying/selling in the stock market meet your expectations? (scale from 0-10, where 10 is the maximum)

Consulting and trusting experts

13. Has anyone advised you on stock market offers? (consultant or expert)

- Yes
- No

14. How satisfied are you with your relationship with your advisor or stock market expert? (scale from 0-10, where 10 is the maximum)

15. What do you like about working with your advisor or stock market expert?

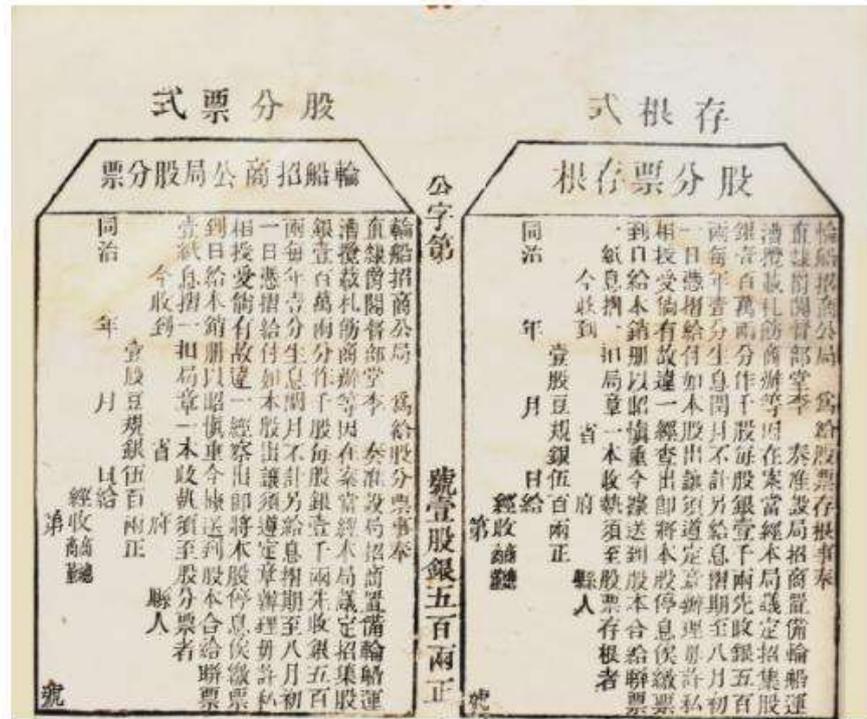
Confucianism

16. Do the ideas of Confucianism influence the stock market and transactions, in your opinion?

- Yes
- Rather yes
- Rather no
- No

17. How do you think the ideas of Confucianism influence the stock market and transactions?

History of the development of the stock market in China



In 1873, stock of the Shanghai Shipping Merchants Bureau (stock of the first Chinese joint-stock company)



Huifang Tea House in Shanghai, where securities were traded during the late Qing Dynasty



In 1984, stock of Shanghai Feilo Audio
(First stock after the founding of New China)



Stock market boom in the 1990s



A room for private investors in a brokerage company in the early 20th century



Investors use electronic devices to trade securities anytime, anywhere in modern society