CHAPTER 4

THE FLEXIBLE ECONOMIC BORDER

AND DYNAMIC LIVES OF BORDER TRADE

This chapter looks at the economic dimension of the complex phenomena on the Yunnan-Burma border. Following China's economic reforms from 1978s onward, the Yunnan-Burma border has been opened in accordance with increases in economic improvements and economic development, most specifically in China. The main aim of the Chinese state in developing the Yunnan-Burma border specifically was to extend "markets" to connect mainland China to Southeast Asian countries, and to India.[1]

Two lines of thought have emerged for discussion regarding the economic dimension of the border, essentially they focus on border flows and the state's controversial policies and second, on petty trade, as an alternative choice. The situation I observed is also well described by Walker's conceptualization of border regulation. He writes that,

"liberalizing initiatives which encourage mobility and passage – the opening of border crossings; the reduction of tariffs; the eradication of quotas

[1]Trade between Yunnan and India in the present day has to follow a sneaky route from Kunming to Zhanjiang port in Guangdong Province, then to be loaded onto ships transporting for the Malacca Straits and India, which is a total of 6,000 kilometers. Recently, China has begun to renovate the historic Stilwell Road, one part of the Burma Road (built during the World War II and was originally called Ledo Road, and later renamed after US General Joseph Stilwell, the chief of Staff of the Allied Forces), connecting Yunnan Province in Southwest China to Burma and India. The distance from Baoshan, a border city in Yunnan, via Myitkyina in Burma, to Ledo in India is above 500 kilometers. A plan for railway hub at Ledo, in northeastern India has 1,220 kilometers distance between Kunming, capital of Yunnan to Ledo which is nearer than transporting Chinese goods to India by sea.

> – should not be assumed to be initiatives which undermine regulatory power...When I refer to liberalizing initiatives, I am referring to initiatives which encourage trade and passage but I am not suggesting that these initiatives necessarily involve a reduction in levels of state and non-state regulation. Liberalization, then, does not necessarily amount to de-regulation" (Walker 1999:15).

Influenced by the border's increasing economic growth, Dehong, as a border economic area, has become more important to the states of China and Burma. In terms of boosting border economy, the states' border regulations need to be flexibly enforced in order to enrich economic growth, support national economic improvement, and the global-regional economic connection to Southeast Asian countries. This chapter proposes that the states, especially the Chinese state, do not necessarily give up their border control but particularly encourage local residents to participate in the border's economic activities.

The first discussion here, as introduced in Chapter 2, focuses on the new conditions of border opening that have created an "ambiguous sphere" whereby border residents adjust their economic life and negotiate with the state's power with specific regard to their own economic opportunities. Border residents and their livelihoods are being dialectically shaped by the interrelation between the consequences of nation-states' border economic policies and alternative choices made by Tai petty traders in the wake of their socio-economic opportunities. Tai petty traders and their trading activities clearly illustrate the interrelation between the state's power that selectively allows the border flows and the agency/power that interacts within the context of their own lives under the border's constraints and opportunities. Through the case of the Tai who make their choices under the influence of a state-inspired flexible economic border, we can see the apparent dynamism of border trades' lives.

The second discussion, for this chapter, is focused on petty trade in Southeast Asia. Many scholars explain that the different status of aliens, diasporic people and the associated economic consequences (such as lack of access to land that therefore

influences them to take up socially low-ranking occupations) provide a reason for choosing petty trade. For example, Scott (1979) refers to petty trade as part of a "moral economy", emphasizing that it is a substantial alternative in a crisis reflecting the agricultural peasantry's situation. Mainstream economists, however, prefer to define petty trade as a part of the "labor absorption potential of trade". World Bank Working Papers, for example, usually mention that casual labor and petty trading are highly important, not only as a source of employment and money earning, but also for the economic functioning of cities and the economizing of scarce resources, in reusing products as well as in reducing needs for equipment and buildings. Petty trade in these two approaches therefore looks at residents or people who come to be traders as passive actors, assimilating to economic and social pressure which results in a shifting status from peasants to peddlers.

The case of Tai petty traders along the border is significant in illustrating the dynamics of border and the complexity of border life. The study of Tai petty traders, reflects both the consequences of the Yunnan-Burma "flexible economic border" and at the same time, illustrates how they decide to become involved in the market by selecting the best alternatives from what they have (i.e., small capital, social networks).

This study examines two groups of Tai petty traders: the Shan Tai (the Tai who originally lived on the Burmese border) and the Dehong Tai (the Tai living along the Chinese-side of the border). The existence of the Shan Tai petty traders on the border today (they have become Burmese migrants in China) is due to the economic depression in Burma and the border's uneven economic growth between Burma and China. The emergence of the present day Dehong Tai petty traders, however, is a consequence of the Chinese who migrated into the borderlands - under land reform policy in China - and urbanization, including economic development in Chinese borderlands. But both the majority of Shan Tai and Dehong Tai petty traders and peddlers have entered into the market as traders because of economic choices, 'arranged' for them by the state, in urban areas.

Prior to examining the emergence of these two groups of Tai petty traders within the new border situation, I hope to illustrate the 1945-1980 transformation of the economic border and the later flexible economic border, in order to understand the context influencing the dynamic border trade life.

4.1 The Regulatory States and Transition to Economic Border

In his study of the Thai-Lao border, Walker (1999:12-14) asserts that regulatory actions, in general, emerged as a result of the influence of state and non-state actors involved in the creation of market towns, trade routes and marketing infrastructure. The actions of national and provincial governments created a market niche, generating an uneven supply to be profitably exploited; and provided social and political opportunities for local markets. He also contends that many liberalizing initiatives create conditions for a new mix of regulatory practices, encouraging trade and passage, but they do not have to reduce levels of state and non-state regulation.

The case of the Tai reiterates his ideas. It illustrates how border economic facilitation (a result of the China's economic reform since 1978) has produced a "flexible economic border" and shifted "border regulation" (Walker 1999). However, as evidenced by such phenomena, it is found that different levels of the Chinese state hierarchy have their own socio-economic and political concerns regarding the border. Here, it means although the state has "de-regulated" the international border in order to encourage trade and flows (especially using one of strategies based on local residents penetrating into the other side of territory), the political concerns of the state, i.e., national security and political-social risks, are part of the trade-off for the border opening.

The new open-door policy, as the first move, began with the 1978 declaration of Deng Xiaoping's Economic Reform. The 1978 Reform and resulting insertion of market structure and unique style of socialist capitalism within socialism's ideal, changed the Chinese economy. After 1978 Reforms, the border of China was affected accordingly, aiming to expand border trade in order to increase national economic development and growth. Practically, the central government launched the famous,

so-called "1985 Period", introducing a formal set of policies formulated following on from Xiaoping's ideas and seen in 1978 economic reforms. This policy was to facilitate the further expansion of trade (Kuah 2000: 75). Moreover, the central government also encouraged the provincial officials to adopt more liberal thinking in order to widely open the border door for boosting trade. However, such encouragement did not bring results until 1992; at that time the provincial government (like Yunnan province) had their own authority to implement regulations and control, including the management and policing of border trade.

As Kuah (2000:72-97) notes, from 1992 the central government designated Ruili, Wanding and Hekou, three border towns of Yunnan Province, as state-level border towns. The provincial government received the authority to manage border towns without central intervention. Additionally, the central government approved the creation of an economic cooperation district in collaboration with Burma, Laos, and Vietnam since the central government realized the increasing economic advantage that could be derived from the change. For example, the increase in the varieties of goods traded in the region has seen a large volume of Chinese-produced machinery and clothes transported into Burma.

From the early 1990s onward, provincial and local governments continued to boost the border's economy by reducing tax collection and applying fiscal strategies, including the creation of an economic zone. In 1992, the Dehong government in Yunnan established the Jiagao Border Economic Development Zone in the state-level town of Ruili. Since that time, the Dehong Prefecture has become one of the most important in terms of border trading and border development (He 1992 cf. Kuah 2000: 72-97); and subsequently Ruili became the most active trading town, as a border trade city accounting for half of Dehong county's revenue in the 1990s (Chen 2006: 31).

Table 4.1: Volume of Border Trade in Yunnan's Prefectures from 1990–1995 (in millions of US dollars).

Year	Dehong Prefecture	Xishuangbanna Prefecture
1990	117	-
1991	159	5
1992	207	11
1993	242	27
1994	280	52
1995	255	66

Source: Adapted from Li and Zhao (1997: 235–248) and Chen (2006: 31).

The period of 1990-1995 saw rapid trade growth in Dehong Prefecture in comparison with the nearby Xishuangbanna Prefecture that also borders Burma (see Table 4.1). The total value of border trade rose from US$117 million in 1990 to US$207 million in 1992 and to over US$255 million in 1995. Compared with the other border region between China and Burma, the figures show that Dehong has made the greatest density of cross-border trade at least five times more than other regions nearby. It is evident that Dehong became one of the most important areas for the main gateway not only to Burma but also, as a result, to Southeast Asia.

One of the main reasons behind the border opening policies rests with the fact that border provinces (like Yunnan and Guanxi) provide an opportunity for rapid economic development both by border trade with the neighboring countries and by penetrating into Southeast Asian markets. The so-called "two breakthroughs and two linkages" strategy (Kuah 2000: 87) was applied to border provinces such as Yunnan. The figure in Table 4.1 shows the border prefectures, especially Dehong and Xishuangbanna prefectures which are pointed as the main gateways to Burma. The "two breakthroughs" means, first, to Burma and then through Burma to other Southeast Asian countries. Dehong has become the strategic transit hub between northern and southern Burma. It provides an access to overland routes through

northern Burma to India and sea routes to India and the Middle East via ports in Bhamo and further south along the Irrawaddy.

As geographically strategic as it appears, provincial (Yunnan) and local governments, particularly the Dehong local government, saw cross-border trade as a promising development strategy. The Ruili and Wanding municipal governments have encouraged foreign investors to utilize local, raw materials and locally manufactured products to meet both local and international demands. Economic zones were set as one of the most important strategies hoping to boost cross-border trade and investment. The re-allocation of budget for infrastructure development has been approved, especially for the development of roads, infrastructure, cargo terminals, etc. In short, projects aiming to prepare cross-border economic cooperation in the Greater Mekong Subregion (GMS) beyond the localized exchange of raw commodities or simple goods were given green-light. This integration of border trade and simple manufacturing has facilitated the development of Yunnan's border trade, which has shifted from involving primarily local commodities to broadly sourced products.

4.1.1 China-Burma Trade: Transition to the 'Better' China

Although China-Burma bilateral trade began after the 1978 economic reforms, their trade relationship was not 'good' until the 1990s; in the context of the political situation since the 1990s border trade has been steadily increasing and their economic relationship has grown stronger. China is now a major supplier of consumer and capital goods to Burma, through particularly border trade (Kudo 2006). Apparently, since the early 1970s Chinese consumer goods along with Thai goods, were illegally smuggled into the Burmese market. Chinese goods entered via Muse-Lashio and Bhamo townships, the two major gateways for Chinese products to Burma.[2] During that time, Chinese and Thai goods helped fill the gaps created by the socialist economy in Burma. Practically every household in Burma relies on cheap Chinese products, such as toiletries, clothes, medicines, and so on (Myoe 2007).

[2] The Thai goods crossed the Thai-Burma border in Maesod, Maesai, etc.

Since the late 1980s, when China's economic reform of began, the Burmese government liberalized its trade policy and lifted the restrictions on trading by the private sector. As a result, the volume of trade greatly increased with the introduction of the market economy which encouraged private sector participation in the national economy. Here, Chinese-made machinery and parts have made an inroad into the Burma markets and China has become a major supplier of consumer and capital goods for Burma (Myoe 2007: 3-5).

Table 4.2 Burma's Trade with China, 2000-2005 (in US$ million)

Year	Export	Import	Total Value	Balance
2000	124	496	620	-372
2001	134	497	631	-363
2002	136	724	860	-588
2003	169	910	1079	-741
2004	206	938	1144	-732
2005	274	934	1209	-660

Source: China Statistical Yearbook (adapted from Myoe 2007)

According to the Chinese Statistical Yearbook (see Table 4.2), bilateral trade between China and Burma in 2000 was US$620 million, where China enjoyed a trade surplus of US$372 million. By 2005, the total bilateral trade surged up to US$1,209 million with surplus of US$ 660 million for China. As seen during 2000-2005, China mostly enjoyed accumulating trade surplus with Burma while Burma suffered from an imbalance of trade deficiency. As stated by Myoe (2007), the top Burmese export items to China include beans and pulses, timber, textiles and garments, gems and jewelry, prawns, fish, and rubber while top import items from China since 2000 have been machines and machinery equipment, garment accessories, construction materials, electronic and electrical products, and consumer goods. Additionally, while Burma exported raw materials, agricultural products, livestock, fishery products, and forest products to China, China flooded the Burmese market with its cheap finished products ranging from foodstuffs to electronics. The trade imbalance continued to grow and the

new border trading posts widened out to the maximum 105 miles from the border city of Muse, in Burma, in order to allow Chinese residents living along the border to go further for trade.

4.1.2 The Border Negotiated: Contraband and Local Agency's Strategies

As mentioned previously, in this study I conceptualize the border as an "ambiguous sphere" due to the fact that local residents are able to make use of the border both economically and culturally. Although we nowadays see the state reducing its military gaze and patrol, the state still more or less exercises border power through several strategies, for example, the control of the border pass, regulating customs taxation and fees; all of which allow or limit the flows of undesired people (i.e. prostitutes), undocumented persons, illicit goods (i.e. timber, gems, drugs) and so on. Within the negotiation process, however, we see local residents conducting their economic activities, alleviating the border regulations in their everyday lives.

Three examples are described here in order to elaborate; the case of *Ae See Moto* or young motor bikers riding their bikes to Burma, the case of *Jiagao* economic zone and tax-free zone launched by Chinese government, and the *Bianmin ren,* Chinese policy produced in a bid to boost border trade among its border residents. The three cases are discussed with respect to the following aspects, specifically: (a) how the states (of China and Burma) themselves reproduce their power control of the border by renewing several strategies, mainly economic; (b) how the states of China and Burma contradict their power control through official corruption, illicit smuggling and the flow of 'unnoticed' people across the border, for instance; and (c) how, through the so called "incommensurable border" (Wilson and Donnan 1994) in which border economic policies of the two states affected each other distinctively, the Chinese state gains more benefit from the economic border than the Burmese.

The Case of the Ae See Moto

Ae see Moto, or young motorbiker, is a story of motorbikers smuggling motorcycles and other goods across borders. This story was told by my close Shan Tai friend and I observed the activity personally in several nights at the pier during my fieldwork in January of 2004. The activity has been going on for some time now. As I observed and my friend explained, from 2002-2005 particularly there have been several teams of young motorbikers carrying big packs of *Pongwan* or monosodium glutamate (MSG) (one of the most popular goods for this transaction activity) across the border to Burma. They sometimes carry other smuggled goods accordingly to the orders from Burmese merchants in another side as well.

The teams usually ride their motorbikes to local piers along the Mao River, around 5 kilometers from the border gate; the boats there are used for crossing the border. The demand in Burma continues to grow fiercely; at its peak, there could be at least 10 teams working per night. Each teams would have around 5-10 motor-bikers riding together. They ride for approximately 4-5 hours late at night, to reach Lashio in Burma, about 150 miles far from the border.

Jaipan, a friend of the motorbike teams, told me that teams of motorbike riding to Burma usually comprises several young males (Tai, Chinese, Burmese, etc.). They came into this activity by chance after witnessing the gap between the demand and supply of motorbikes and particular products in Burmese markets. They, therefore, tried to seize the opportunity and gain some small profit.

How does the activity work? Usually, team members would buy a motorbike from a Chinese market. Some young males pay only half of the selling price and pay the rest to Chinese merchants later after selling their bikes and goods to Burmese merchants. For the motorbike teams, there are no exact *Laoban* (in Chinese) or boss taking care of them; they usually run the team by themselves. However, this smuggling activity is dangerous and risky because they need to ride late at night amidst many commercial trucks transporting bulk goods on the main road.

Furthermore, to hide themselves from the eyes of the patrollers, they have to ride without turning on the motorbike lights.

Figure 4.1 One of the local piers is used by local inhabitants for daily crossing the border.

"In the case that they get caught, they have to *Panso* (or pay them cash or bribe) to the patrollers and during the past several years (2002-2005), we heard a lot of sad news from relatives and friends about young bikers die along the trip to Lashio," *Jaipan* told me.

All motorbikes (Chinese brands) are smuggled or transported via the border for commercial purpose without tax payment to Burmese government. The activity has become rapidly popular due to the fact that both sides of the transaction stand to benefit. Young motorbikers, when they reach Lashio, will sell their smuggled bikes to Burmese merchants at a very lower price compared to the market. Then Burmese merchants gain more profit from contraband motorbikes by selling them at normal or somewhat cheaper price to their customers. Sometimes, the smuggled motorbikes are transported into Rangoon for the more expensive price due to the rising demands.

The contraband motorbikes are in demand by Burmese population because of their cheap prices. This has raised conflicts between Chinese and Burmese governments. As witnessed in several news articles (i.e., Khun Sam 2007, Naw Seng

2004),[3] the Burmese government has complained about the illicit activities to the Chinese government. However, no precise response from the Chinese government is evident since both Chinese merchants and government enjoy the increasing demand in the Chinese machine industry. In this growing trade activity, it seems clear that the Burmese government is the only player who does not have a share in it. Aung Kyaw Zaw, a Burmese trader in Ruili, said that each day there are about 1,000 Chinese-made motorbikes smuggled illegally into Burma, worth more than 2,300,000 Yuan (US$277,878) (accounting only for illegal motorbikes). The numbers have doubled from the previous-year's figures (Naw Seng 2004).

Figure 4.2 The contraband motorbikes with goods were newly bought in Ruili of Chinese borderland. Goods in the rear, were *Pongwan* or Seasoning powder monosodium glutamate bags (SHAN. 2004)

[3] Accessed websites on October 17, 2007. Please see more detail at http://www.burmanet.org/news/2007/07/03/irrawaddy-smugglers-drive-illegal-chinese-motorbikes-into-burma-khun-sam, and http://www.irrawaddy.org/article.php?art_id=3995

The Case of *Jiagao* Economic Zone

The second example is the case of Jiagao economic and tax-free zone launched by Chinese government. In the Jiagao economic zone of Ruili border city, Dehong prefecture, the Chinese government designated this zone tax-free tax or duty free One may buy anything from traders in this zone without paying tax; including passenger cars. Here, lies an example of a self-contradictory regulation.

When Chinese residents buy Japanese cars (Japanese cars are popular in the Burmese market and there are some traders that import Japanese cars with Burmese car registration to trade in the zone) from the zone under the zone regulation, tax is void. However, the car owner will be able to use his car only in Jiagao economic zone, the Chinese government does not allow the Japanese cars (with Burmese car registration) bought by local residents to be used in other places, except in the economic zone (around 15 kilometers from the border). If the car leaves, the owner is expected to pay the import tax.

With the Chinese tax policy, the government intends to protect the Chinese car industry. However, there are those who wish to gain benefit through the gap of this regulation and the corruption among some Chinese officials is evident. Local residents who buy those cars will try to change the Burmese registration into Chinese registration by paying bribes to Chinese officials. It works depending on who they contact and how close they are to Chinese officials in charge of car customs, and whether they have access to get the Chinese registration for the Burmese cars.

The Case of *Bianmin Ren* Policy

The *Bianmin ren* policy, or border resident policy, was launched by the Chinese and Burmese governments in order to engage local residents in border trade and business. The Chinese government allows border residents to travel back and forth without strict regulations. For example, Dehong Tai and Jingpo nationalities who register their households in Dehong Prefecture can easily cross the Chinese border into Burma for economic and social purposes. The trade and economic

cooperation between two countries has been enhanced officially according to the final border regulation and agreements signed. Local residents who carry border passes and identity cards are able to cross the border and freely travel within the 150 miles stretching from the border. However, it is important to note that this policy benefits some local residents disproportionately.

It appears that, for example, the Shan Tai trading in China can do business more flexibly than the Dehong Tai trading in Burma. According to my interviews with both Shan Tai and Dehong Tai as well through participant observation, I observed that the Shan Tai from Burma have strongly emphasized that trading in China can be conducted more flexibly than the other way around. They can cross the border either legally or illegally. Legally, they apply for *Bianmin* cards or border-crossing cards. Illegally, there are at least four local boat piers along the border. Those piers are normally used for transportation of goods and people crossing the border, they receive random inspection. Exceptional cases include specific situation of concern arises (i.e., AIDS and narcotics), the Chinese border soldiers will intensively patrol and closely check the crossing activities. In the case of trading in Burma, the Dehong Tai traders mentioned that they had to deal with problems of corruption and the lack of trust among Burmese officials. Moreover, political changes in Burma often result in unpredictable rules and regulations enforced by the Burmese border officers and soldiers.

The distinctiveness this study found in *Bianmin ren,* or border resident, policy leads me to characterize this area an "incommensurable border" (Wilson and Donnan 1994) in which trading in Burmese bordering areas often faces difficulties due to the nation's insecure political situation, while the Chinese government mostly is more encouraging of border trade activities.

4.1.3 The Economic Border and a Fear of Flows

Despite the continued opening of the border economically, the Chinese government at the national level, still continues to see the opening of the border as a great security risk and the area as a politically sensitive region that necessitates strict

restrictions in comparison with coastal provinces (Kuah 2000: 72-97). This is because of a fear of the flow of uncontrollable influence, such as drugs and other social impacts, that China might be exposed to as a result of the borders opening. Politically, the Central government still has concerns of security. According to the government, borders should be monitored consistently, since the borders still represent a threat to the state and its national security via border political insecurity, illicit drugs, and other social impacts. Although opening of the border was unavoidable due to global-regional economic forces and the goals of economic development, it was understood that the doors must also be closely monitored, to make sure that their 'sliding' feature was in its best condition in case it needed to be easily shut due to the changing political climate.

As both sides of the border were in transition, it is apparent that there has been a drastic change of the border situation nowadays compared to the time of previous border policies. As Kuah (2000: 73-74) notes, during the period from 1949-1978, the Yunnan-Burma border was shut completely. At the national level, the Chinese central government restricted border-crossing activities which were of possible risk to national security. The Chinese state was acutely aware of political and national security risks since the communist government of that period (1949-1978) was encountering internal and external political conflict among several groups. Border trade during the 1949-1978 period was governed by the "border trade policy" administered by the State Council of the central government.

During that time, the border was policed by soldiers and patrolmen. The trade, however, was conducted on a small scale and carried out by farmers on both sides of the border. Only Chinese farmers were allowed to purchase a small amount of goods across the border for the purposes of resolving deficiencies or for catering to the daily needs of the border residents. However, the exchange boundary between the states was confined to a 10 kilometer stretch to allow border residents to buy and sell surpluses of agricultural production.

Despite the border restrictions, trading among the residents of both sides continued consistently. This is because the border patrols were not practicing

effectively and official corruption was largely found due to the fact that the practice generated huge profits for both border officials and traders. For example, *Saomat*, a 48-year-old Shan Tai woman peddler revealed,

> "I was smuggling some manufactured goods; clothes, dried foods and survival food from China into Mandalay of Burma. I gained more profit because during that time Burmese people did not have enough food, lack of nutrition affected by an economic depression. You know, the profit I gained from trading could help me continue and finish my Bachelor Degree studies. Lucky for me, but I should not say it." (pers. comm. Feb 2005)

Importantly, with respect to the new border changes forced by the state, one of the main policies was to encourage economic participation by minority groups that resided along the borders. The government's strategic encouragement was to allow the border residents search for their own market, and be responsible for their own dealing. Yunnan provincial government has encouraged the minority groups living along the border to conduct trade in this way. As Kuah (2000: 94-95) noticed, the border residents were expected to "straddle over the border and ethnic boundary" which encouraged ethnic minorities to engage in trading and business and to induce them to become actively involved in economic development at the border. In respect to the government's encouragement, trading in the border regions increased significantly and became a part of life among the border residents. It is common to see 50 to 80 percent of the border residents engaged in some kind of petty trading in the region. At the border trade market, there are often close to 1,000 petty traders and dealers including some from Burma, Bangladesh, India, Nepal, Pakistan, selling cotton, jade, bracelets, ivory items, and aquatic products (Chen 2006: 31).

The ethnic residents who were involved with trade of both sides are, however, not new phenomena. As previously mentioned in chapter 3, ethnic populations on both sides of the border have historically been trading with one another, establishing their trans-frontier trade long before economic liberalization had become official policy. Some literature on ethnic traders along the frontiers (for example Tai traders, Muslim Chinese, etc.) asserted that these ethnic traders had long been overland traders

conducting their trade exchange by mules, cattle caravans for hundreds years. They provided the connections between markets in different places in the mountains of Yunnan and Burma and went further into Thailand and other Southeast Asian lands (for more detail, see Hill 1998, Forbes 1995, Chusit 1989, Moerman1975, Chiranan 1989 and Giersch 2001).

4.2 Shan Tai Migrant Petty Traders Emerge within the Flexible Economic Border

After a decade of the "flexible economic border", the flexible mobility of people is apparent if compared with prior years. This appears clearly during my first field visit, in 2004, to *Kad Mai* market in central Luxi of Dehong Prefecture, Yunnan Province.[4]

In fieldwork at *Kad Mai*, the appearance of many Shan Tai migrant petty traders who set up retail shops and mobile shops in the market caught my interest. I talked with *Kamlearn*, a Shan Tai woman peddler migrating from Namkham (a township 22 kilometers from the Yunnan-Burma border, and 100 kilometers from Luxi). While we were talking, my eyes explored Kamlearn's products' shelves. The varieties of goods with Thai brand names astonished me. She was selling *sin* or tube skirts of varied Tai fashion and Thai traditional dresses, beauty cream, shoes, slippers and other products transported from Thailand and Shan state of Burma.

All commodities sold by the Tai petty traders and peddlers in *Kad Mai* are representive of circumstances and types of trade based on "ethnic and cultural

[4]*Kad mai* is Dehong Tai language; the market is called *Peng Ou Kai* in Chinese. *Kad mai* is a big market located in the central Luxi, the capital of Dehong Prefecture, where local people go to sell, buy or trade eon a daily basis. Every five days, there is a *Wan Kad Je* or 'market day in city' for any local sellers in the vicinity to participate (in exchange with small amount of space rental fees); thus it draws many buyers into the market. *Kad mai* market is distinctively divided into several sectors by products and ethnicity of traders. Product-wise, the food and clothing or garment sectors are obviously classified. In Dehong Tai '*Kad Tangkin*' is the name for food sector and '*Kad Koaw*' for clothing and garment sector. Ethnicity-wise, Han Chinese migrants and settlers mostly sell Chinese mass products. Tai petty traders, both Shan Tai migrants and Dehong Tai, usually sell various products from Thailand and Shan State. Besides these main two groups, Jingpo, Achang, Bulong, as well as mountainous Han Chinese also truck their agricultural products from their mountainous residences to be temporal peddlers during *Wan Kad Je*.

affinity" which can be called "ethnic commodities" in this research.[5] Within *Kad Mai* market, not only *Kamlearn* but also many other Shan Tai peddlers who had migrated from other villages of Namkham including Muse, another township nearby Burmese border, and they have been setting up their small stalls, shelters, and small shops to sell "ethnic commodities", especially Thai products transported from Thailand. For example, some Shan Tai with more available working capital invest their money in the opening of "Thai restaurants" that sell Thai foods and goods; those who have less money would rent a small shop in the market. Some Shan Tai invest in mobile markets around the city, selling the ethnic commodities among other products.

Kad Mai market was established by the Chinese local government in 1997 and has grown rapidly. To serve both old and new investors, the market was expanded from the old marketplace nearby to its present location. According to local government and their policy of economic development in border towns, *Kad Mai* market is for selling general mass-produced goods, as one of several bigger markets in city. The market has reflected how economic growth, development projects aspired by government, including an involvement of goods supplies transporting from the Yunnan-Burma Border, have been expanded by the economic border growth during the last decade.

Kamlearn recalled that her parents were selling local products in Luxi during the 1980s-1990s, but not many local markets had been established in the center, and not many merchants, including Chinese and ethnic nationalities, came to this market. The phenomenon in Luxi is similar to other towns in Dehong. It is found that many markets in central townships and cities; such as Ruili, Yingjing, Lienghe, Longchuan of Dehong Prefecture have been drastically changed accordingly to the open-door

[5] I use "ethnic commodities" to refer to types of commodities attached to ethnic affiliation. Here, ethnic commodities mean mass products that the Tai people prefer to buy and sell mostly because they feel attached to them as products that were produced by and representing the same ethnic identification; for example, mass products from the Shan State or from Thailand are referred to as from "*pii nong*" or siblings. However, using this particular word of "ethnic commodities" here also implies the meaning of "cultural commodities" which the commoditization of culture (Miller 1995) practiced by consumers or traders as can be seen through trading exchange of the ethnic commodities.

policy during 1980s following the economic reform. The case is even more outstanding as the border economic development continues to grow in 1990s.

With the advent of the borders opening, it has allowed not only the flow of transnational goods between China and Southeast Asian countries but also cross-border migration of people, moving temporarily and permanently mainly for economic opportunities. The border towns of Dehong Prefecture (Yunnan Province) - Ruili, Yingjing, Lienghe, Longchuan, Wanding and Luxi - have well illustrated these phenomena. There has been an influx of both goods and Burmese migrants including other ethnic Burmese seeking job opportunities deriving from the rapid economic growth at the border and the opening of the Chinese border.

As affirmed by the China (Yunnan) Country Research Team (CRT, 2002), Ruili - mainly through the *Jiagao* economic zone - has the greatest density of cross-border migrant populations in the province of Yunnan. Apparently, around 60 percent of the Burmese migrants in Ruili are Muslim, and the second largest group is ethnic Burmese. All Burmese migrants work in a variety of business sectors, depending on class divisions based on differences in income and profession.

Table 4.3 Chinese National and Provincial level Checkpoints on the Burmese Border.

Port **County|Municipality**	**Prefecture**	**Adjacent Port** **(Burma)**	**State (Burma)**
Jiagao | Ruili	Dehong	Muse	Shan
Wanding | Ruili	Dehong	Kyukok	Shan
Houqiao Tengchong	Baoshan	Kambaiti	Kachin
Zhangfeng | Longchuan	Dehong	Lweje	Kachin
Pingyuan | Yingjiang	Dehong	Laiza	Kachin

4.2.1 Shan Tai Petty Traders and their Lives before Crossing the Border

The Shan Tai petty traders and peddlers in Dehong have engaged closely with migration's influx of economic opportunities. Although some Shan Tai migrants, especially those who live in Muse and other villages located nearby the border, have always crossed back and forth for their daily petty trade in Chinese markets of Ruili, more than 20 Shan Tai petty traders and peddlers that have migrated permanently for peddling are found in the central market of Luxi (some are with their family members who accompanied them to help with trading activities.). A survey of Shan Tai peddlers in *Kad Mai* market conducted during my fieldwork in January 2005 found that in 2004 there were only six families involved in trade at *Kad Mai* market and mobile market in rural areas. One year later (2005), the numbers double to more than 14 petty traders and peddlers (10 young females, 4 males, some of which are relatives or couples) have moved into *Kad Mai* market and have begun their mobile trade with the already-present Shan Tai petty traders in the markets. The rapidly increasing numbers of Shan Tai peddlers in the market provides evidence for the argument that Shan Tai border trading on the Chinese side is one of the most promising economic opportunities for them.

It is important to note that the rough numbers mentioned above do not include Shan Tai migrants from poor villages of eastern and middle part of Shan State who work as waitresses, wage labors or even sex workers in Ruili or Luxi. The small amounts do not also include some Shan Tai who have specific skills and find themselves in different kinds of jobs, such as cooks in restaurants, or silversmiths, goldsmiths or even skilled staff in private companies on the Chinese side of the border.

Commonly, the migration of Shan Tai peddlers, including other ethnic Burmese migrants in Dehong, reflects the persistent impacts of economic pressure and poverty in Burma. Several surveys, for example Turnell (2006) and Htay (2005), refer to the poverty and economic growth in Burma as unpredictable since under rule of the military regime from 1962 up till now.[6] Burmese people are not able find job

[6] According to Sean (2006), the official statistics on Burmese economic growth released by Burma's ruling military regime, the State Peace and Development Council (SPDC), is the basis for the high 12.2

opportunities or employment. Those with education background probably can find jobs in private companies or civil work but the low salary makes life difficult with high expense of goods.

In November 2005, I interviewed three Burmese youth coming from Mandalay who were working as daily-wage labors in Dehong. They all agreed that working as daily-wage laborers in Dehong is much better than working in Mandalay or other cities of Burma due to the fact that there are better provided for in Dehong. They can earn more income, have free food and accommodations thus they can save more money and bring it back home.

The three Burmese youth informed me that,

> "In Dehong, we earn 16 Yuan a day with free food and free accommodation while construction work in Mandalay pays only 1,500 Kyat or 9 Yuan per day.[7] More importantly, there are not many construction jobs in Burma. Sometimes, we have to wait for jobs, wasting a couple of days without earning money. This would happen until our agent can find a job for us. So we decide to come to Dehong following Chinese Construction Company. The manager finds us a 3-month job, good wages, free food, and free accommodation. However, we do not want to stay long in China, since Chinese land is not familiar. Chinese girls, foods and atmosphere do not belong to us"(pers. comm. Nov 2005).

As illustrated by these Burmese youths' experiences, it can be noted that the growth of the border economy in China or precisely speaking, the uneven economic growth between Burma and China, has brought about huge amounts of Burmese

percent of GDP claimed in 2005, while Burma Economic Watch shows that Burma's economy actually shrank in 2003 and 2004. Further, in 2005 Burma would likely have returned to growth, but at a rather more modest 2 to 3 percent. Therefore, Sean notes that some fake statistic by military regime is likely.

[7] In the street market along the border, the exchange rate was 200 Kyats per one yuan, according to my interview in 2005 (November 2005), while the official exchange rate was approximately 120 Kyats per yuan. Comparing to Us Dollar, it varied from 800 kyats to 1,335 kyats per US Dollar in 2005 in the street market (Irrawaddy 2005), while the official exchange rate was approximately 600 kyats per US Dollar.

people migrating into Yunnan province and some people have ventured even further into Thailand (Aranya 2006/2549).

The choice between working in China or Thailand mostly depends on the geographical location in Burma. It is found that most of the Shan Tai people working in Thailand have their own settlement in central or southern Shan State (Aranya 2006/2549), while Shan Tai living in northern Shan State tend to work in the Chinese borderland. More important to note is that in both cases there are more jobs available with higher income and better welfare than what they could find in Burma. Those benefits are undeniably tied with their hope, expectation and future for their families.

4.2.2 Beyond the Border: Shan Tai Petty Traders, Opportunities and Constraints

Accountably, migration into border areas of Yunnan is a response to economic pressure, poverty, as well as ethnical-political conflicts in Burma. According to United Nations Development Program (UNDP), about 23 million people or almost one quarter of the total households in Burma, live below subsistence minimum. Lack of employment opportunities and unemployment is still attacking Burmese economic development. Many families cannot afford even the minimal costs for school. In poor families, older children need to work to contribute to household income. Not many children have access to high education (high school or university level). It was said that since 1962, the Burmese people have been relegated to slaves and subjects of the military junta (Htay 2005). Poverty and low living standards are consequences of a political economy that has been consciously shaped by a regime in ways that are not conducive to growth.

For Shan Tai peddlers I met in Dehong and northern Shan State, they all have experienced economic depression in Burma. As *Kamlearn,* a 35 year-old Shan Tai peddling woman, told me her life, family and relatives have been affected by economic depression throughout years ruled by military regime. Although she graduated with a Bachelor degree from Mandalay University's Chemistry Department, she cannot find a good job in Burma. She recalled that,

"It is hard to find a job in Burma. Although I went to big cities and worked there as a scientist in private company, the salary is very low. I could get only 20,000 Kyat per month (or ~100 Yuan[8]), or if I took a job as a teacher, or a civil servant, I probably get only 15,000 Kyats per month (~75 Yuan). But selling goods in Chinese border could earn more money around 100 Yuan per day. How can my family and I survive with little money in my own land?" (pers. comm. October 2005)

The huge difference in income that Shan Tai peddlers can earn in China versus in Burma have motivated them to stay temporally in Chinese land, rather than working permanently in Burma. Even though some Shan Tai peddlers have a high education (high school or university level), they cannot find proper positions (such as official workers, teachers or employees in private companies) in the big city of Rangoon or Mandalay. Even with such positions, the low income and low monthly salary makes it hard for them to live and work in big cities. Such a low salary rate, according to all informants, leaves them with no saving money or even enough to survive daily living, let alone sending money to help their families at home.

The poor living conditions in Burma increasingly push people to look for other choices; which are usually in markets, factories, or even in the streets. It becomes apparent that many poor Burmese migrants living in rural villages of nearby border towns or in highland of Burmese side go across the border looking for jobs and new hopes in the border zone. Some Burmese migrants who are skilled in some craft (for example having some experience in building construction or restaurant business) come into the Chinese border, finding jobs as construction-labors, waiters, waitress or cooks in restaurants, or working in Chinese factories along the border. However, for less fortunate Burmese ethnic males, they may find themselves as daily-wage laborers, unskilled laborers, or coolies in the so-called Jiagao economic district zone,[9] and many Burmese ethnic women work in the service sector, as waitress or even sexual

[8] This income amount is referred and cross-checked by Tai informants who live along the border. Also, this rate is used generally for border people living along the border.

[9] The zone, which covers an area of four square kilometers and borders on Muse in Burma, has attracted a steady inflow of small-scale investments from Hong Kong, Thailand, and Singapore. In addition, a China-Burma Street was set up between Jiagao and the border to accommodate small shops and mobile daily traders (Hong Kong Trade Development Council 1992 cf. Chen 2006).

workers in Ruili, the border city in China side (Naw Seng 2004). As illustrated by the case Naw Seng (2004), a columnist of the *Irrawaddy Journal*, describes,

> "Nandar faces a tough time in Ruili, a Chinese town close to Burma. She has no money and lives in a small, messy room in an apartment building that doubles as a brothel. But her face shows no fear. She looks like many of the Burmese girls who hang out in Ruili at night, their faces painted a ghostly white, sporting tight skirts or jeans, and soliciting men along a busy, shadowy street corner in the town center. But Nandar is not among them—yet.... For Nandar, the lack of jobs means she has two choices: work as a prostitute in Ruili or return to her husband. Returning to Burma is out of the question" Naw Seng (2004).

Schuman, a journalist who has traveled extensively into Ruili explains that,

> "Packs of beggars hassle Chinese tour groups for spare coins. The only concrete houses are two-floor villas said to be owned by Chinese gem merchants. Aung Kyaw Zaw, a former antigovernment rebel living in China, complains that the trade is not good for the Burmese people; it's good for the government. China sends so much to Burma, but the community gets poorer" (Schuman 2006).

Contrary to present trends, in the pre-reform era and prior to the border opening, poverty in this remote border region of China had forced local residents to work in towns such as Ruili in Burma (pick tea leaves, paddy field) to supplement their income while local girls often married Burmese men. However, since the new face of border, large number of Burmese border residents have come to work in Ruili, for example. Many of the former local residents who had left during the cultural revolution of the 1960s have returned and resettled. Nowadays, more and more Burmese girls prefer to marry young men in Ruili (Chinese Central Academy of Ethnology 1993 cf. Chen 2006).

However, it is interesting how the Shan Tai peddlers, especially those who live in Namkham, Muse and Lashio of Northern Shan State which constitute the main townships where Shan Tai reside, play a role in making alternatives and attempt to avoid constraints within the border's economic changes. This study found that they do not simply respond to economic depression as such, and can be interestingly differentiated from previous Shan Tai peddlers, including other Burmese migrants flowing into China. A new young generation of Shan Tai peddlers, in particular, have migrated and have been trading in central Luxi nowadays (at least 35 households coming from Namkham, Muse and Lashio townships).[10]

Distinctively, young Shan Tai peddler migrants, both men and women who have begun their trading activities within the last 5-7 years (1999-2006), are different from their previous generations in terms of age and types of peddling.

In terms of age, they seem to be "Shan Tai youth" whose are about 20-35 years old in comparison to above 35 years of age as found in the past. For the most part, they are rather well-educated but can hardly find good jobs and well-paid positions in Burma.

Regarding the types of peddling, most Shan Tai peddlers in the old days worked as farmers. There careers were permanently fixed with agricultural production and they became temporary peddlers when they brought their local products to trade in markets during paddy-field's off season.

As mentioned before, trade conducted along the border by Tai people is not a new phenomenon. The preceding Shan Tai peddlers in Luxi were also experienced in petty trade and overland trade crossing Yunnan-Burma frontier over many decades. However, the previous overland trade was mostly conducted by middle-aged males. Shan Tai women were usually involved with markets nearby their villages but it was

[10] The information referring to number of households is from a survey conducted between 2004-2005 in *Kad Mai* market and *five-day Wan Kad* Je or mobile markets moving around the Luxi city, Dehong. There were approximately 35 households of Shan Tai peddling migrants (around 100 persons). Most of them were not alone. Each household may be a family of parents and children, siblings (both single and married), kin (grandfather or grandmother with nephew). As seen in a survey, 35 Shan Tai households migrated from villages of Namkham (a township 22 kilometers far from Ruili, the Chinese border), Muse (a township 10 kilometers far from Ruili), and Lashio (a city around 150 miles far from Ruili).

not common to see them engage with overland trade, crossing the frontier into other areas. Moreover, Tai traders of the past were skillful. They were either skilled as silversmiths, goldsmiths or in long-distance trade. Here, the previous peddling trade patterns as conducted by Tai peddlers are different from the new young Tai peddlers who conduct their peddling trade in the new face of Chinese border.

Unlike other Burmese migrants at present, Shan Tai peddlers living in Namkham, Muse and Lashio make their choices in different ways from other Burmese migrants, mainly in terms of: the physical border area and its improved regulations; and access to economic capital and social capital that they have prior from their networks.

In terms of physical border and border regulation improvement, since 2000s both regulatory states have extended the new border trading policies widening out 105 miles far from Muse of Burmese border into Burmese land (Myoe 2007), Burmese people living in Lashio and other townships around 105 miles from Ruili can make their way into Dehong of Yunnan. Here, most of the Shan Tai residents settling down in those towns have decided to migrate into Dehong. This is because of the more flexible border regulation and also because of the markets located nearby their hometowns.

More interesting is how Shan Tai youth peddlers in China can access economic and social networks in Dehong of Chinese borderland because of the settlement of Dehong Tai and their similar nationality, cultural and linguistics. It is found that many Shan Tai youth conducting trade as peddlers in China are well-educated; at least high school or university graduates from Burma.

As mentioned, *Kamlearn* got her Bachelor degree from Chemistry Department of Mandalay University in 2001. *Ae Yee*, another Shan Tai peddler, graduated with a Bachelor's in History at Mandalay University in 2000. *Ai Kala, Ae Yee's* husband, finished his study in the Electricity Department of a teaching college in Mandalay. At first, *Ai Kala* worked as a mechanic in camera shop, but after his wife gave birth to his child he decided to help his wife peddle goods in China instead.

Though the young Tai traders are well-educated, their certificates do not mean much in their peddling activities. The most useful talents are still those with specific skills such as silversmiths, goldsmiths and tailors, the skills they learned from their parents or relatives. These kinds of artisans' skills have facilitated the Shan Tai youth peddlers to create specific products related to cultural ethnic commodities which have been most welcomed among the Dehong Tai customers.

It is important to note that most of the parents of those Shan Tai youth peddlers have long been engaged with trading activities in China. Their social networks have been well established through the previous trading activities of their relatives whose settlement have already been in China border area. This kind of social network facilitates and provides Tai peddling migrants more opportunities benefiting to their crossing-border trade in Chinese side.

Since there have been more flexible border trade regulations and their social networks have been well-rooted in Dehong of the Chinese side, the Shan Tai well-educated youth from Namkham Township, could finally ignore their diploma and focus on the more economically profitable choice. Under these conditions, it is obvious that members of Shan Tai peddlers in *Kad Mai* market accommodate their peddling livelihood, compulsion and contradiction. Their lives as peddlers have been shaped by new border economic conditions of both China and Burma and their desires are always connected with families, relatives and friends.

4.3 Dehong Tai Petty Traders Emerge within Border Economic Development

Here, I will demonstrate how the Dehong Tai households have changed their livelihood strategies from agricultural production to trade as a result of conducive government policies, especially economic development policies, during the past two decades.

Rural villages of Luxi are located not more than five kilometers from urban areas and winds of change have exerted a powerful force on Dehong Tai people and their livelihood. The social changes in Dehong rural villages have been both

intentionally and unintentionally affected by economic reforms since the 1980s. One of the most obvious changes of the Dehong Tai people appears in Dehong Tai females' ways of life. Many of them have changed their work patterns.

It is easy to imagine them joining the train of economic development by becoming traders, however, the pattern is not predictable. Traditionally Dehong Tai women would perform trading activities temporally, only after harvesting time, and in village markets. After economic reform, they choose to become permanent petty traders in border markets located in the city. How have Dehong Tai households been changed with regard to the changing economic conditions of the border? The shifting occupation of Dehong Tai is, in part, a consequent that has shifted division of labor in Dehong Tai households. The case of *Kampong* family, living in a rural area (nine kilometers from the center) exemplifies how economic development and its policies since the 1980s have impacted their agricultural livelihood and how Dehong Tai people make their decision for their lives relying on their limitation and opportunities.

4.3.1 Dehong Tai: Migrating from Rural to Urban

The *Kampong* family lives in *Man Na Jai* village, one of the so-called rural areas. Her household consists of six persons: her father, mother, her two brothers and her elder sister. Her relatives, cousins and kin are also living in the same village. During the 1980s, the government-appointed community land committee arranged equal redistribution of the land for all village households. Her parents were in this system as required. Eventually, the *Kampong* family got land of 15 *mu*.[11] Normally, every *mu* of fertile land yields at least 1,000 to 1,200 kilograms of rice. In the case of this study's sample, 15 *mu* of land were redistributed to all members of *Kampong*'s family. The two brothers, however, were in Beijing, working as a chef-assistant in ethnic restaurant and a clerk in Guangdong. Kampong and her elder sister decided to move into town. All four children of the family decided to leave their land for rent. When the land is not rented, Kampong's parents will take care of it for them. Presently, only their parents, two nephews and two nieces live in rural residence.

[11] 1 *mu* is 0.0667 hectares

Agricultural work is undertaken by their parents and other farmers who rent their land (see Figure 4.3-4.4).

The phenomena of the new generation of Dehong Tai moving to work in towns and cities has been widely spreading since the 1980s in response to border economic growth. While some rural people moved into the city, some Dehong Tai villagers around the center have been affected by economic development projects launched by local-level government. The effects included the phenomena of urbanization boosted by local government's facilitation on transportation, infrastructure, building and market construction, in a move to support the border's economic growth. With all the improvements, the city residents realized the more comfort and facilities they may have with the better economic lives.

Urbanization and its consequences for those in border cities can be best illustrated through the case of *Kamseang*. A 35 year old permanent Dehong Tai peddler and tailor in *Kad Mai* market, *Kamseang* and her household live in *Man Nakam*, three kilometers from Luxi city. In the 1990s, the local government launched an "Economic Zone" (*Kaifa Difang*) project in the city, consisting of commerce buildings, markets, big hotels and apartments. The project is aimed to support the extending border economic policy and to serve Chinese, Burmese and other businessmen who come to perform international trade in the border areas.

In response to the project, the land belonging to Kamseang and her parents, including some villagers, was expropriated by local government with compensation. Without their agricultural land - but still retaining some monetary compensation from the government - Kamseang decided to move into the nearby city and build a small brick house for her parents there. Kamseang's younger brother got a job, as a bus driver in Baoshan region, north of Dehong. Kamseang married a Chinese man living in the city. She chose to work as a petty trader in the city market, while her Chinese husband opened a motorbike shop.

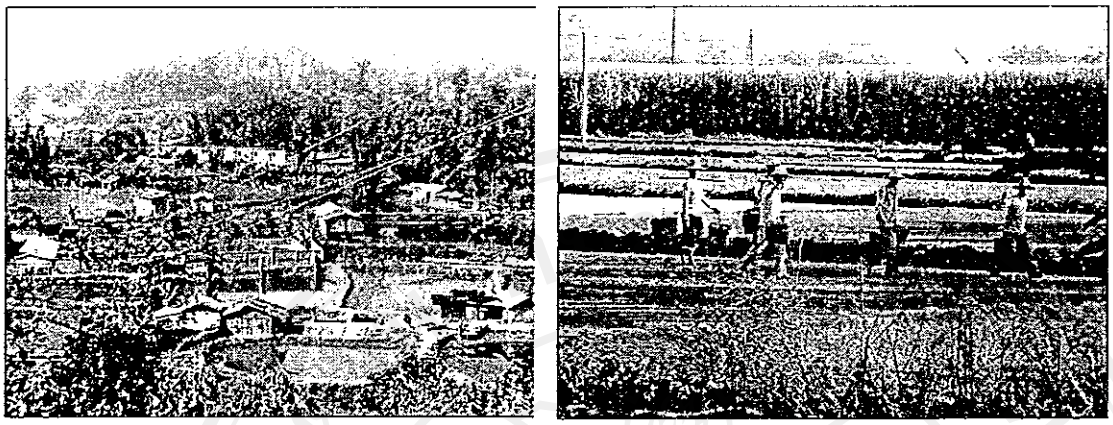

Figure 4.3-4.4 After the late 1990s, the Dehong Tai have sold their land to both local government for economic development and outsiders. Some Dehong Tai leave their land to be rented by the Chinese. They rent the land for fish feeding for selling in the market (Figure 4.3) or grass cultivation for golf course (Figure 4.4).

It is found that many economic buildings for commerce and business, housing, and so on have been rapidly constructed after the late 1990s. It is partly because the Dehong Tai had to no choice but to sell their land to government, receive monetary compensation and eventually forget about their agricultural skills and develop other career skills. To cope with the urban changes and being without land rights, the Dehong Tai have left their agricultural work and shifted division of labor which once relied on agricultural work.

As a result, Dehong Tai men with specific skills like silversmithing or goldsmithing now work in factories or private companies. Many travel further to find jobs outside their homeland. Some Dehong Tai males buy trucks, becoming truck drivers joining a business of transportation for petty trade. Some Dehong Tai males rent their relatives' rural lands to keep their accustomed agricultural skills. Their choices depend on how much money they earn from the sale of land and how effective they managed their money for buying small houses in the city. The process is carefully calculated and the rest of the money left is set aside for their investment.

For Dehong Tai females, their choices are more constrained. They mostly concentrate on jobs in the market which change their economic role within the

household because they move into marketplace almost permanently. They become new permanent petty traders in the market, or vendors in the city, renting small shelters, rooms or houses for selling consumer products and clothes. Some with dress making skills open tailoring services. Those with more money open food-stalls in the city, cooking and selling Tai food. A few women, but not many, chose to find other plots for agriculture, assisting their husbands and leaving some times for temporary trading.

4.3.2 The Dehong Tai under Conditions of Economic Reform

Why have many Dehong Tai people, especially Dehong Tai women become permanent petty traders? How have Dehong Tai households been changed with respect to changing economic conditions? Recent research have contributed to the rural-urban change during 'Economic Reform' in Yunnan, China. Croll asserts that Yunnan's rural-urban change in during the period of economic reform has impacted ethnic nationalities, especially women. The author suggests that under the reforms, "there are not many mono-agricultural opportunities for women because there is employment other than in agriculture....then, in all probability men will remain as agricultural labours and women will increasingly move into other, non-agricultural occupation" (Croll 1985: 29).

Her research is relevant to the contribution by Wu Ga (2001: 256-266) about Nuosu Women in Ninglang County, Yunnan interacting with change in the reform era. The author's conclusion confirms that Nuosu women have been impacted by the economic reforms, as seen in new forms of stratification and inequality. However, he adds that the economic reforms, in return, have brought new economic opportunities for women. For example, women in Xingyunpan (those who have learned many new techniques for cultivating fruit and other cash crops) have had increasing participation in cash crops. Some women have returned to something resembling their roles in the traditional economy – animal husbandry, housework and supplementary agricultural work - all within an economy mostly controlled by the men of their household (Wu Ga 2001: 266).

Apparently, the winds of change during the past two decades have exerted a powerful force on Dehong Tai households and their livelihood. Significantly, livelihoods have been affected - by both intentionally and unintentionally – as a consequence of not only by the economic changes at the border during the time of economic reform, but also due to other consistent conditions. I can divide these other conditions affecting Dehong Tai households into 4 main categories: recent Chinese migration into Dehong with reference to government encouragement; proliferation of urban land extension; the outcomes of economic development projects (so called *Kaifa*) as proposed by provincial and local governments in Dehong Prefecture; and fourth, land reform (*Tu Gai*) policy emerging during the past two decades.[12]

First,, in regard to recent migration, the migration pressure of the Han Chinese was heightened by the state policies and permanent migration for better work and fertile lands (as a result of policy); this has inevitably affected the Dehong Tai. Regarding the Han Chinese migration into Dehong, historically the Han Chinese did not settle in Dehong until about 200 years ago. One main reason is the Han Chinese's anxiety about malaria (Bello 2005).

As mentioned by Fitzgerald (1972), Chinese southern expansion into the borderlands no matter ancient or modern is not one of violent, imperial conquests that affected a new dominant culture. Rather, there are two patterns of the Han Chinese's expansion into southern borderlands. The first is a pattern of seepage, slow overspill from the north that grew greater by the absorption of the former borderlands which then spread still further into new region. It was a combination of trading penetration, peasant and small urban settlement, enriched by the injections of exiles of higher education, and finally or at the last stage, consummated by political control and incorporation in the Chinese state.

[12] Historically, the Dehong Tai lost their land due to two major land reforms during the twentieth century. During the land reform of 1947–1952 implemented by the People's Liberation Army, Land owned by landlords, temples and lineages, and land rented out by rich peasants was seized by newly formed village Peasants' Associations, and then re-distributed to middle and poor peasants, and to landless laborers. By 1952, the Chinese Communist Party had succeeded in creating a system of small-scale family farming. This system lasted until 1955–1956, when it was replaced by collective farming. The second land reform of 1981–1983 grew out of a series of policies designed to make collective farms operate more effectively (see more details in Bramall 2004: 107-141).

In Yunnan, there are many indigenous or non-Han Chinese people in varying states of assimilation. It is possible to identify the stages through which assimilation has passed, or still proceeds. The penetration of intrepid Chinese traders into tribes which are normally hostile to all strangers is well attested as probably the first step. Fitzgerald (1972) argues that Chinese traders buy native products which have a rarity value in China and sell Chinese products for which the tribesmen feel a need. Step by step the Chinese migrant became more readily welcome and acceptable. Chinese trade could establish a more permanent footing; his descendant settlement. The second pattern of the spread of Chinese culture in the borderlands is the customary practice for many centuries to send political offenders and some criminals into exile in the remote parts of empire. The Manchu dynasty sent to the south western province of Yunnan (Fitzgerald 1972).

However, the Han Chinese came rapidly later into towns and urban suburbs following the Chinese government's policy on ethnic assimilation over the past few decades.[13] The motivation bringing the Han Chinese, as "floaters" (Solinger 1995: 127-146), or urban migrants into Dehong is because of economic development and its increasing growth during several years which has provided lands, jobs, trading and other opportunities. Many Han Chinese migrants buying Dehong Tai's lands for permanent settlement usually come from different Prefectures: Baoshan, Dali, or Sichuan locating in Yunnan province and nearby provinces.

This also connects to the second condition affecting Dehong Tai livelihoods, in the sense that the proliferation of urbanization appears to stem from the establishment of Luxi as the capital of Dehong Prefecture and as a border gateway to Burmese roadways. As a result, many villages have partly turned their fertile paddy

[13] It should be noted here that the land rights in Dehong before 1949 belonged to *Sao pha* rulers, as private land ownership existed. *Sao pha* household's wealth directly correlated with the amount of the land it possessed. After 1949, land reform was launched, to reduce social inequality by confiscating land from the landlords and then redistributing it to the poor. By 1958, all land was either state-or collectively owned. Urban land was state-owned whereas farmland was collectively owned with a few exceptions. During the late 1980s, the privatizing land title and ownership could be allowed for a leasehold land tenure reform. Regarding to this, it is the impact of the Economic Reform in the urban land system which rapid urban expansion caused the depletion of farmland at an unprecedented rate, particularly on the urban fringes where the most productive land was located. Huge profits provided economic incentives for selling land or leasehold land by the Dehong Tai.

fields, fruits orchards and old Dehong Tai-style houses into modern-style buildings, houses, big supermarkets, market plazas, governmental buildings and economic places. Their lands are changed into the hands of Han Chinese newcomers who have money to acquire urban lands.

The third condition, that of the development of the city by local government in order to support economic boom of the border, has resulted in the loss of land rights for many Dehong Tai in urban areas. They have to sell their lands to the Chinese government for the development projects, apart from selling land to Han Chinese newcomers. The interest in land here is due to the increase in land value since Luxi is located 100 kilometers far from Ruili, a Burma-Yunnan border city, expanding and growing with increasing economic opportunities. According to this policy, Dehong Tai villagers sell their lands to government, and receive some monetary compensation. *Kampong*, a Dehong Tai tailor in *Kad Mai* market, is one of the many Dehong Tai people selling their lands to both local government and Chinese businessmen that have come from another province.

Lastly, some Dehong Tai are affected by land reform policy proposed by the local government in the late 1970s which limited agricultural lands; subsequently, there is not enough land for big Dehong Tai families. The occupations they choose depend on how much they have in term of education, money investment, access to jobs and networks, and availability of work in the cities or in different provinces. As mentioned by Ling-Hin (2003: 207-224), other parts of Chinese cities have changed their urban physical structure because of the implementation of economic reforms in the urban land system. Statistics reported by the China Statistic Bureau during 1990–1996 asserted that lost farmland accounted for more than 1,973,000 hectares to non-agricultural construction between 1986 and 1995 which is 2.5 times higher (Ding, 2003: 109-120). The statistics on farmland are more or less evidence of a drastic change that appeared during the period of economic reform; its presence is also shown from the case of Dehong Tai living on the border.

4.3.3 A Comparison: Dehong Tai and Shan Tai Petty Traders under the Socio-Economic Conditions

In comparing the cases of the Shan Tai and the Dehong Tai, who have made their economic choices to enter the markets, they are distinctive in terms of their own opportunities and constraints.

The Shan Tai, as in the case of *Kamlearn, Aiyi, Ai Kala* and others who become both temporary and permanent petty traders and peddlers in Chinese borderland usually have higher education than other Burmese migrants moving into China. However, a higher level of education does not guarantee job positions in their homeland. It also does not facilitate a way to cross the border. Indeed, the most important aspect affecting their decision in becoming peddlers in Dehong is their social network in the Chinese borderlands. As for other Burmese migrants, they usually choose to be wage laborers, construction workers or servers in restaurants to earn their daily income.

Their choices for jobs depend on the distance of networks and contacts to people they know on the other side of the border. For the Shan Tai, being peddlers in Chinese land has not disconnected their cross-border trade from what appeared in trade of the past over long distances via overland routes (See Tien Ju-Kang 1986 [1949]). In the past, the Shan Tai and Dehong Tai, both in Dehong of Yunnan and Namkham of Burma, traveled throughout this area in order to buy and sell goods, for example Buddha images, Buddha statues and so on. The transborder trade conducted by the Tai therefore is not a new phenomenon, as previously discussed. Nowadays, however, the new, young Shan Tai generation who are unable to find good jobs in Burma decide to have their relatives settle down in Dehong to strengthen their social networks in order to generate their petty trade better (will be illustrated in more detail in Chapter 5). These social networks greatly benefit and add to their choices, especially easing the Shan Tai migrating process into China. The Shan Tai in this sense have produced and reproduced their "social capital" (through using their social networks in China) providing them opportunities within their crossing-border trade today.

In contrast, Dehong Tai peddlers usually choose to be peddlers because of constraints to land ownership and changes in division of labor within households they face; the move does not relate directly to social networks. Apparently, they move from rural areas into towns due to the 'development' offered by more urban areas which has grown as a result of economic development and urbanization. Since the urbanization, the trend appears to be that Dehong Tai have sold their lands, and consequently become petty traders and peddlers in markets.

4.4 Conclusion

This chapter is framed around two discussions, the first regarding border flow and the state's controversial policies and the second on petty trade, as an alternative. For the first discussion, the new conditions of the border's opening, characterized as a "flexible economic border", have created an "ambiguous sphere" whereby border residents can adjust their economic lives to negotiate with the state power and economic opportunities. At the same time, border residents and their livelihoods are dialectically shaped by the interrelation between the consequences of nation-states' border economic policies and alternative choices made by Tai peddlers in the wake of new socio-economic opportunities. Tai petty traders and their trading activities have presented the interrelation between the state-power which considerably allows the border flows and the agency-power which interacts with the alternative directions for their own lives under new constraints and new opportunities. Through cases of the Tai who make their choices under the influence of state-inspired flexible economic border, we can see the dynamic lives of border trade.

The second discussion regards how the Tai, particularly the younger generation, get into the market as petty traders on the border. The case of Tai peddlers along the border is remarkably different from preceding works; apparently, for the young Tai, being a peddler is, on the one hand, prominently a consequence of "flexible border economic" on the Yunnan-Burma border. And on the other hand, Tai peddlers themselves decide to get into the market by considering the best alternative choices from what they have, such as working capital, and particularly social networks). In the present day, the emerging Shan Tai petty traders in the Chinese side

of the border have become Burmese migrants of China; this is a general response to economic depression in Burma and the uneven border economic growth between Burma and China. The emergence of Dehong Tai petty traders has consequently responded to particularly affections of Chinese migration into borderland, land reform policy in China, and urbanization, as well as economic development of the Chinese borderland. However, both Shan Tai and Dehong Tai petty traders enter the market in considerable numbers, because economic opportunities in the urban (although still on the border) areas launched by government and its policies are increasingly offered. How they succeed in their petty trade is that they (Shan Tai, mainly) are supported by their social networks based on their relatives that have settled in Dehong. These social networks especially benefit the Shan Tai, making migrating into China easier. Dehong Tai petty traders usually select their petty trading jobs in regard to constraints on lands (as a result of land reform, urbanization and Chinese migration) and changes in division of labor within household. Getting into the market as petty traders or peddlers is the best way to get around their constraints regarding agricultural livelihood and life changes at the border. These complex phenomena on the Yunnan-Burma border as illustrated by the Tai petty traders in economic dimension, have reflected the dynamic lives of border trade in a wake of flexible economic border.