Chapter 1

Introduction

1.1 Background and Research Problem

Myanmar is one of the most ethnically diverse countries in the world. Throughout its existence as an independent state, since independence from British colonization in 1948, it has experienced a complex set of conflicts between the central government and the ethnic minority groups seeking autonomy. The military capacity and influence of the ethnic nationalists has declined significantly over the past decade, and several ethnic armed groups have entered into ceasefire agreements with the central government and been granted *de facto* administrative authority over their areas. Since then, many special regions have appeared along the Myanmar/China border area, among them a region where many Kokang Chinese reside - becoming the first 'Special Region' in Myanmar and named Kokang Special Region (1). The local ethnic authorities are allowed to maintain their armed forces and have been granted full authority to make their own decisions on the area's development activities by the Myanmar central government. In the past the livelihoods of the people in the region were based on poppy cultivation, and was the key source of revenue upon which the local authorities could maintain their armed forces; however, after the ceasefire, poppy cultivation was banned in the area and since then the local peoples lives have changed.

The Union of Myanmar is comprised of more than 135 ethnic minority groups, and among them the Kokang Chinese is a less well-known group, though they have been residing in the mountainous area of northern Shan State – around the border between Myanmar and China, for centuries. Nowadays, many of the Kokang generations have assimilated into mainstream society to a certain degree and know little about their ancestral roots. Probably because of the remoteness of the region where the Kokang Chinese live and the special, political administrative situation in the area, no outsiders are allowed by the central government to enter the region or conduct studies of this group of people. As a result, almost no literature has been produced regarding the Kokang people, even though they have been living in the border area for centuries. Since the 1989 ceasefire agreement, the Kokang have come to the attention of the outside world, mainly due to the presence of a number of Kokang drug lords and the area (the famous 'Golden Triangle') being the source of opium. Most of the people, even other overseas, ethnic Chinese from Guangdong and Fujian Provinces - who migrated to Myanmar earlier than the Kokang Chinese, perceive this group of people as backward, hill dwellers, smugglers, opium growers and drug traffickers, and most people do not know how the Kokang Chinese live in the border area and what kind of livelihood strategies they apply to their daily lives within this Special Region.

Some literature on the Kokang can be found, mainly in scholars' studies on the opium issue in Southeast Asia and the ethnic minorities in Myanmar (for example, the work of Bertil Litner, Tom Kramer and Mya Than). In 1997, Yang Li, a descendent of the Kokang ruling family, published a book about her family in Kokang named 'The House of Yang: Guardians of an Unknown Frontier'. Although it was a personal

account of her family, it covered the historical background of the Kokang, from their very beginning to the end of the 'Sawbwaship' period in the eighteenth century, to 1959. The Kokang region was under self-administration by the local authority for centuries - throughout the British colonization period and World War II. A Kokang self-defence force was organized and trained after the Sawbawship period, and they played a significant role in the region's security. Kokang troops participated in a number of wars, such as during the Japanese invasion, the Koumintang (KMT) invasion and when the Burmese Communist Party ruled for a number of decades. Yang Li also gave some background information on how the Kokang people have been involved in Myanmar's political history, but not so much on the livelihoods of the people.

Another book about the Kokang was written by a Kokang Chinese descendent called Tun Naing in 2000. In his book "သံလွင်မြစ်ဖျားမှကိုးကန့်တိုင်းရင်းသားများ (unofficial translation – 'Ethnic Kokang from the source of the Thanlwyn River', the author talks about the history of the Kokang people and how the region received lots of support from the central government before the military regime seized power over Burma in 1962. In his book, he focuses on the relationship between the central government and the Kokang; how the central government attempted to support the Kokang and helped to develop their region prior to 1962. He also gives some background information on how opium cultivation became the main livelihood activity of the local Kokang people and how the Myanmar central government tried to find alternative ways with which to improve the lives of the local people's at that time.

Moreover, Professor Sai Kham Mong has also studied Kokang history by accessing the British and Shan State governments' confidential archives. In his book 'Kokang and Kachin in the Shan State (1945-1960)', he paints a picture of the Kokang situation from the time that Myanmar gained its independent from the British government in 1948, up to 1962. In his study he states that the Kokang region during this period was seen as a remote area of the country far from the influence of the central government's administrative functions. Moreover, it was also felt that the local armed groups created a lot of trouble and complicated the country's political situation, plus that people in the region were backward, consisting of hill tribes and were always involved in some kind of subversive economic activity, such as producing opium and drug trafficking. There have been almost no studies carried out on the Kokang region and its people after the military regime took power in 1962; how the people lived their lives in the region and how the authorities managed to control them. There were a number of conflicts between local armed groups related to their respective access to power and wealth, plus the Kokang armies fought with the central government troops over self-autonomy for almost half a century.

After signing a ceasefire agreement with the central government in 1989, many Chinese people migrated into Myanmar government controlled areas, some of whom were Kokang-born ethnic Chinese, while others were Chinese from China who took the name 'Kokang' and migrated into the country. Since then many Kokang Chinese have set up businesses across different sectors in Myanmar, and for many people, the Kokang Chinese are rich only because they are involved in drug trade, Jade smuggling and many others illegal businesses. To these people, the Kokang are illiterate and uncivilized when compare to other ethnic groups. Nevertheless, their

economic power is growing in Myanmar nowadays, and some of them now play a leading role in the country's economy.

Chinese influence can be seen in Kokang due to its geographical location, the remoteness of the region – being far from any major town in Myanmar, and its proximity to China. Due to the isolation of the region, its poor communication links and the transportation and language barriers, the Myanmar government finds it difficult to provide assistance and promote the region's development. The Chinese language is widely used in Kokang, as 90% of the population is ethnic Chinese and it has become the official language for the local administration. Moreover, the standard currency used in the region is the Chinese Yuan, not the Myanmar Kyat, and people in the region also follow standard Chinese time, which is one and-a-half hours ahead of Myanmar standard time. Daily necessities for the local people are all imported from China, so that the lives of the people there are very much influenced by China, and thus they are different from other government administrative areas.

In 2002, the Kokang authorities announced that the area was free of poppy cultivation and that it had become the first Special Region in Myanmar to eliminate opium. Due to a lack of preparation in terms of alternative livelihoods, many Kokang people in the region lost their main source of income and their lives were changed. As a consequence of the opium ban, health and education problems developed, plus people were not able to fulfil their basic needs and faced serious food shortages. Since then, many international organizations and government border development departments have been allowed to enter the area and assist the local authorities in the area's development, the aim being to improve the livelihoods of the ex-poppy farmers. However, only limited assistance has come from government departments

due to limited government funds, the language barrier between officials and the local people, and transportation and communication difficulties.

The local Kokang authorities and people have worked together and tried to overcome the problems encountered since the opium ban; moreover, several conflicts have occurred in the region related to power and wealth among the local authorities. Since open-market policies were introduced by both the Chinese and Myanmar governments in 1989, the Kokang region has rapidly developed into a border trade area. Many people have begun to participate in cross-border trade activities and developed alternative cash crop plantations, with the assistance of China. Some of these people describe Laukkai, the capital of Kokang, as a 'mini Macau' as there are a lot of casinos, gambling dens, massage parlors and prostitution services available in the town. The control of people's movements and of goods across the border is relatively limited when compared to other border areas, as the local Kokang authorities do not have proper rules or regulations in place to control border trade. Moreover, due to the close ethnic ties and long term social relationships between the Kokang and Chinese people, the Chinese government's border security is not as strict as at other checkpoints. Transportation and communication in the region has developed rapidly since the ceasefire agreements were made, and Chinese mobile phone services cover the whole region. Chinese goods, Chinese-made electrical appliances and Chinese mobile phone shops are scattered around the region, such that the whole area has become like a small part of China.

Most of the Kokang brought-up in the government controlled areas and who live outside the Kokang region do not know much about the lives of their ancestors in the border area. Many people in Myanmar, including other ethnic groups, still

perceive the Kokang Chinese to be backward, opium growers and drug traffickers, although their region and their livelihoods have changed over time. It is not known for sure how they live their lives in the Special Region and what kinds of 'spaces of exception' the people enjoy; why the local authorities can decide upon the area's development and why they can set up their own rules and regulations, despite the central government not officially granting autonomous rights to them. Moreover, many people are still curious to know why the Kokang have been allowed to maintain armed groups since the ceasefire agreement was put in place, why schools in the Kokang Special Region teach Chinese instead of Burmese, and why the casinos can operate legally. It seems to me that the Kokang region is a kind of exception in terms of the government administration, and has this become a 'state within a state'. To be able to understand all these ambiguities, I developed the following research questions for my study.

1.2 Research Questions

    1.2.1   How have the spaces of exception in Myanmar and China border area been constructed and what are the implications of the shifting strategies of the border-landers?

    1.2.2   How do the Kokang Chinese in Myanmar use their ethnic identities, relations, culture and social networks in their daily lives, so as to conduct cross-border trade activities, plus develop a political agenda and their cultural identity?

1.3 Research Objectives

1.3.1 To understand the Myanmar and Chinese governments' policies towards the borderland, and the relationship between China and Myanmar

1.3.2 To examine the self-identification process of the Kokang Chinese and its complexity, and

1.3.3 To understand the livelihood structure of the Kokang Chinese, as border-landers.

1.4 Review of Theories and Concepts

1.4.1 Space of Exception

On August 27th 2010, the Myanmar government officially announced that Kokang region was to become one of the six self-administered zones in Myanmar, moving from its previous position as a special region, though the area administration was still under a temporary Kokang Administration Committee. The Union of Myanmar is politically divided, economically weak and socially fragmented. Most of the country's development plans and policies are centrally planned, and a top-down administrative approach has been implemented across the country since the military regime gained power. Dissatisfied with the centralization of government administrative functions, many ethnic rebel groups have organized themselves with the aim of gaining autonomous rights in their respective areas. However, only six ethnic groups have been granted special self-administration rights and the Kokang Chinese are one such group. I was curious to know what kinds of exception the

special administrative area in Kokang was granted and how this impacted upon local people lives. How the concept of 'spaces of exception' has been constructed and applied in scholars' studies will be reviewed in the following section, where I will try to conceptualize in terms of the Kokang special administrative area.

Spaces of exception are mostly produced based on the logic underpinning neo-liberalism. In Aihwa Ong's article (2008) 'Scales of exception: Experiments with knowledge and sheer life in tropical Southeast Asia', she states that new political spaces have been generated by various strategies in order to govern populations in and through multiple scales of exception. Scales of exceptions are produced when the neoliberal logic of economic growth is implemented by a state. By invoking exceptions, states favor neoliberal values, thus investing spaces with different kinds of values. Neo-liberalism has been viewed as a capitalist strategy used to sweep away a country's old power structure and create political and economic space.

The logic of exception has been applied in the political and economic development of some Southeast Asia countries. Among them, the Chinese state invoked the logic of exception to create the system of Special Economic Zones (SEZs) in the late 1970s. China has deployed this strategy to develop the country's economy through the use of 'zones', with terms mentioned by Aihwa Ong including SEZs and Special Administration Regions (SARs) such as Hong Kong and Macao. SEZs were created to intensify cross-border networks and economic integration, and the SARs are a formal accommodation of different political entities. The local administration unit has full authority to make its own decisions in terms of area development activities, plus the Chinese state has established various strategies to cope with the transition from a centrally planned to a capitalist development economy. Re-

territorialization strategies have also become important, not only for economic development of the border zones, but also in accommodating spaces of variegated governance.

Aihwa Ong argues, in 'The Chinese Axis: Zoning Technologies and Variegated Sovereignty' (2004) that state policy towards the Special Administration Areas and SEZs is marked more by flexibility in terms of state practice than by the unbundling or disaggregation of power. By invoking exceptions to normalized forms of political control and economic activities, post-Mao state strategies have displayed a flexible and creative approach to the diverse regulation of spaces and civil society. In particular, China's opening-up and market reform policies have relied, not on the unbundling or denationalizing of sovereignty, but on the production of new spaces of exception and border crossing powers.

Kenichi Ohmae has noted that the different countries and populations in the Asia-Pacific region have been bound together by rise of cross-border regional economies. The regionalization of Southeast Asia is based on institutional forms and practices; the administrative strategies of the state affecting economic development and political integration. Kenichi also mentions that change in China has been the outcome of the administrative strategies of a single state entity. The zoning strategy implemented by China, including creation of the Special Administrative Areas and SEZs, has been critical in creating new capitalist spaces where before none existed on the socialist mainland. This strategy has adjusted and eventually absorbed political entities by gradually weaving them into a complex web of economic networks that extend beyond the national space (ibid).

Aihwa Ong looks upon the zoning strategy as a form of graduated or varied sovereignty. The term 'graduated sovereignty' refers to the re-scaling of state power across the national landscape and the different impacts of regulation on the rights and privileges of different groups of the population. As per Aihwa Ong's article in 2004 'Chinese Axis', the Chinese zoning regime has integrated the economic and political across different spheres. It has created zones of political exception in order to normalize state rule, plus create economic, social and political conditions that constitute a detour from the political integration occurring in Hong Kong, Macao.

China's zoning regime is important for encouraging foreign investment and economic activities; creating the space and conditions for variegated sovereignty, together with trade, industrialization and a gradual political integration. Sovereignty is the outcome of various administrative strategies that seek to improve the economic and political well-being of the nation. China's administrative response to globalization has not been to unbundle power or territory, but rather to create spaces of political and economic exception. China's SEZs and Export Processing Zones (EPZs) enjoy a wide range of powers, including substantial autonomy in terms of the local creation of business opportunities, plus the administrative regulations in place for planning, banking and insurance purposes. Even these Zones have to report directly to the central authorities in Beijing on economic and administrative matters, as they still have overall authority to control these special regions. These special regions and zones were created by an act of exception; so the free trade or export processing zone is like a country within a country.

Carl Schmitt defines sovereignty as ultimately the power to call a state of exception - to then nationalize a condition or the law. Exceptions to the normalized

situation of citizens or territorial controls, normally apply to a situation where there is some crisis in a country. However, Aihwa Ong argues that in the 1990s, exceptions to normalized conditions were invoked in many countries, not only in response to political crises, but especially in creating exceptional opportunities to participate in the world economy. Spaces of exception have become important in terms of political integration and economic development for many nation states.

Aihwa Ong considers government as the exercise of political power beyond the state, stressing networks of technologies that link together strategies developed in centers of power, to thousands of scattered points where the regulation of space and populations takes place. The exercise of power is calculative and informed by a variety of logics in solving problems such as the well-being and wealth of the nation.

Looking back at Kokang history, the region has been granted as 'special state' or 'autonomous area' status since the British colonial period, because it is far from the central administrative unit and the people in that area have controlled their own rules and regulations. In the past, the state did not have sovereign power over the region and it was situated as a political exception by the state. This kind of exception continues over the region, as the central government still grants the local authorities the power to decide upon the area's security and development. It can therefore be conceptualized that the state has implemented a flexible administration policy over the Kokang region, rather than unbundled or disaggregated its power.

In 1989, the Myanmar government implemented an open market policy and the border-landers were allowed some economic exceptions with respect to border trade. As China's economic power has grown in the region, Myanmar has received much economic and political support from the Chinese. To maintain the relationship

between the two countries, Myanmar government institutions and trade policies are much more flexible toward the border-landers, especially those living along the China-Myanmar border. Economic exceptions such as export tax exemptions and favourable import activities have been implemented; moreover, the area is close to China, a country which has had success implementing zoning strategies. As China's zoning regime has focused on developing the economy of the border areas, so an adjacent border town such as Kokang has benefited from the strategy. For example, those living along the border are allowed to cross the border with less restriction, and the state has little direct control over the movement of people. As a result, the Special Administrative Area can be conceptualized as a state within a state, one which is a space of political and economic exceptions.

1.4.2 Shifting Strategies of the Border-landers

1.4.2.1 Ethnic Identity

Ethnicity is a biological, ideological and socially constructed concept. It is biological in the sense that ethnic characteristics are generally passed down through biological family members who are part of a larger biological family group. It is ideological, in that ethnic groups also pass down values, ideas and principles that shape the norms and behaviors of their group, and as a component of wider human society, a distinct ethnic group is a social unit that is defined as part of the larger social unit.

Definitions of ethnic identity vary according to the underlying theory embraced by researchers' and scholars' conceptual meanings. Ethnicity can be

evolved, and so what is identified as a particular ethnic group at one point in time may be identified differently at another point.

Theoretical approaches to the study of ethnicity and ethnic identity mostly analyze from three different perspectives: essentialism, instrumentalism and constructionism. Essentialism conceives that ethnicity and ethnic identity are universal and static, and embedded in culture and society. People who live in the same community, speak the same language and share the same cultural traits are put in the same social category in which they share the same ethnic identity (Keyes 1979). Identity is defined by social characteristic of ethnic origin and class, and is something fixed and stable. In contrast, under instrumentalism, as described by E.R. Leach and Fredrik Barth, ethnic identity is instrumental in that it shifts according to what role you play in the course of interacting with other groups. In Leach's research, conducted in the Kachin Hills of northern Burma ('Political Systems of Highland Burma'), he clearly illustrates how people deploy locally shared understandings of cultural differences to their advantage in the field of politics, whereby ambitious Kachin chiefs could lay claim to higher status through the selective use of chiefly symbols or even changes in identity that allowed them to gain positions within the state political systems of the lowland Shan and Chinese. In this regard, ethnic identity is a situational and relational concept - it emerges through interaction with other groups of people and always involves power relations.

The constructionist approach challenges the essentialist's notion of ethnicity and looks at identity as something dynamic and constantly changing. Keyes (1995) argues in his work 'Who are the Tai? Reflection on the invention of ethnic identity' that ethnic identity is constructed not only through social interaction between different

groups but within a broader context of modern nation-states. He demonstrates that the classification of Tai is a product of both ethnic and national processes, and shows that "ethnic identities are constructed, invented and changed in a continual and complicated process not only by the external forces and arbitrary labeling by outsiders but also by their own social process of creating self-image" (Keyes 1995). Social constructed identities are; therefore, not only static but multiple, flexible and shifting according to various social conditions (Sachiko Yasuda 2008).

Keyes papers on ethnicity written in 1976 and 1981 describe ethnic identities as "cultural interpretations" or cultural constructs of descent. Ethnicity is pre-eminently about origins and presumptive cultural characteristics that distinguish people from different origins (Hill 1998). In 'Ethnic Adaption and Identity', Keyes also brings into the conversation what has been called the "instrumentalist" perspective on ethnicity. "Because ethnicity is not genetically determined, it is a variable factor in social relations" and is deployed in pursuit of individual or group advantage. Keyes also insists that what distinguishes ethnicity from other forms of identity, once in place, "is assumed to define for people who they truly are as descendants of their ancestors or forebears".

Ethnic identities serve not only to invest long established social relations, but also to help those who possess them to cope with new types of social relations. Ethnic identities also serve as adaptive strategies for people faced with certain types of social experiences. As social circumstances change, pre-existing ethnic identities may become less adaptive, and if the significant structural oppositions between groups are eliminated, even marked cultural differences may be overcome and assimilation of individuals or groups to another ethnic group may occur (Keyes 1979).

Some earlier theorists working in Southeast Asia found that state systems are important in ethnic identity formation. The very significance of the impact of states on ethnic identity was increased by the emerging issue of national consolidation in Thailand, Burma and other Southeast Asian states. Contemporary theorists recognize the importance of the state in the formation of ethnic identity and argue that the modern nation-state, with its ideology of national culture and new systems of class stratification, has had a historically unprecedented impact on the construction of contemporary ethnic formations (Williams 1989 cited in Hill 1998).

In Skinner's work on Chinese society in Thailand, the Chinese becoming 'Thai' more or less depends upon "the time and intensity" of their exposure to Thai society and culture, with assimilation conceptualized as both a process of becoming culturally Thai and a process of associating with Thai people (Skinner 1957). Identities change according to the situation, even though culture is a fixed list of traits associated with a group of people.

Many scholars' studies have found that the Yunnanese in northern Thailand possess multiple identities and shift these in line with the situation they face in their daily social, political and cultural lives. They can therefore be both Thai and Chinese depending on the circumstances. They become Thai to gain privileges as Thai citizens, but yet sometimes refer to themselves as Chinese. They invoke a Chinese identity when they associate with other Chinese in trade, or when they want to distinguish themselves from the Haw, which is seen as a backward hill tribe. Moreover their multi- lingual skills support them in relation to different resources. An individual may be Chinese, in contrast to Thai, when seeking a job, but may also be Thai, in contrast to other Southeast Asians, when competing for a fellowship to study in a foreign

country. This possibility of being both Thai and Chinese has allowed them to become successful in trade (Hill 1998, Chang Wen Chin 2006b, and personal interview with Mr. Duan from Pathang Village, Chiang Rai Province 2010).

Multiple identifications of the ethnic people or individuals change depending on when, to whom and where they are presented. In Duncan and Krisadawan's study of politics and identity in Isaan, northeast Thailand, the people from that region sometimes identify themselves as 'Lao' when interacting with Thai government officials or with others from central Thailand. This identity expresses the fact that they have shared experiences in terms of culture and language with the Lao and not with the central Thais. On the other hand, when those from the northeast visit Laos or meet Lao nationals, they often identify themselves as 'Thai – an identity based on the history they learn in school or in rituals - that identify them as subjects of the King of Siam. Finally, on some occasions - in both Thailand and Laos, these people will identify themselves as 'Isaan', a term used to mean a person from the northeast of Thailand. As a result, it can be seen that the people from the northeast region of Thailand have a choice of identities and many will use all three in different contexts. Groups that can draw upon more than one ethnic identity have a flexibility in adapting to multi-ethnic contexts which is not available to groups restricted to a single identity. Ethnic identity is thus impermanent in individuals and communities, and is dynamic and changeable.

In Mika Toyota's work on the shifting identities of the Akha in the region, the Akha possess multiple identities, as they claim to be one and the same in one context and in another portray themselves as distinct from each other on the basis of an ascribed ethnicity. Milka claims that "identity centers on ones' social relations with

others rather than being something which is the property of a particular group". Ethnic identity can be inconsistent, contradictory, multi-layered and fluid since individuals' social relationships are unstable formations constituted within the ongoing interaction of internal and external webs of power relations (Jenkins 1994, Moore 1994 cited in Mika Toyota 2003b).

The Kokang in Myanmar possess multiple and sometimes ambiguous identities. They still follow their cultural customs and rituals, such as the New Year celebration, ancestor worship ceremonies, funeral rites and family livelihood strategies such as trade and agriculture, but are known as ethnic Chinese in Myanmar due to their dialects and physical appearance. The descendents of the Kokang still learn the Chinese language, attend Chinese schools and maintain their traditional culture, but on the other hand, some identities of the Kokang people have changed. Nowadays, many Kokang descendents speak different languages such as Shan, Kachin, Palaung and Burmese, have changed their names to the Burmese style, attend Burmese schools and have switched from their traditional ancestor worship beliefs to Buddhism, as they try to integrate into the host country. They therefore possess primordial as well as instrumental identities.

When we talk about ethnic identity, the role of the state and the nation should not be ignored. As there are many ethnic groups living in the Union of Myanmar, there is no strong state policy toward ethnic groups, so that in the case of assimilation, acculturation rarely happens; however, many ethnic Chinese try to integrate into mainstream society in order to obtain privileges for their businesses or trade. Nowadays some of ethnic Chinese in Myanmar attend Burmese schools, change their names to become more Burmese and also their religion - from ancestor worship to

Buddhism. They are not yet fully assimilated into mainstream society, but some are partially assimilated. In recent decades, and following Chinese economic success in the region, some of the Chinese identity of these people has survived and even re-emerged in order to carry out business or trade with people in mainland China. In the meantime, the ethnic Chinese in Myanmar have continued to maintain their traditional culture, whilst at the same time adopting elements of the mainstream culture. 'Chineseness' has thus re-emerged along with the China's growing economic power in the region.

Some of the Kokang identify themselves as 'Huaqiao or 'Huayi', and this self-identification is closely associated with their migration patterns, as they represent the meaning of home. Here, I would like to refer to Wang Gungwu's study entitled 'China and the Chinese Overseas', which highlights the fact that the self-identification of the Chinese people has varied from generation to generation. He suggests four main patterns of Chinese migration that have shaped the identification of Chinese people residing outside China.

Chinese migration refers to departure from Chinese soil for the purpose of living and working abroad. There are many reasons why the Chinese migrate, an early pattern being the trader pattern that took place in the eighteenth century, established by traders, artisans and miners from China in the Song dynasty and involving Han Chinese migration to Yunnan, Guizhou, Guangxi and Taiwan. This pattern was named the "Huashang" (Chinese trader) migration by Wang Gungwu, as most of the migration involved traders. This form of migration is also known as Huaqiao as "Qiao", meaning temporary residence away from home, from one's own village, country or province, but still within China.

The second pattern, "Huagong" (Chinese Coolie), involved the migration of coolie labor - men of peasant origin, landless laborers and the urban poor - after the 1850s. These people migrated to work as contract labor and most of them returned to China after their contracts came to an end. It was an important pattern which was then followed by another Huashang migration, whereby Chinese coolie laborers settled in North America and Australia in the nineteenth century, having first migrated under the Huagong migration.

The third pattern is called "Huaqiao" (Chinese sojourner), referring broadly to all overseas Chinese and does not represent any description of the occupations of the migrants. This term came to be used to apply to all those previously known as Huashang and Huagong, plus all the Chinese who migrated out of the China to promote a greater awareness of Chinese culture and traditions. This Huaqiao pattern developed only after 1911, with traders, coolies or educated professionals. It mainly focused on the quality of 'Chineseness' among the Chinese abroad, and encouraged all overseas Chinese to do battle with the local authorities in order to secure a Chinese language education and promote the ideology of Chinese nationalism.

The fourth pattern, or "Huayi" (Chinese descent or re-migrant), is a recent phenomenon. Huayi migrants are foreign nationals of Chinese descent who are largely foreign born. They are not like the Huaqiao migrants, temporarily resident abroad, but have become foreign nationals over generations. Among them, some are those who have migrated from their adopted countries to a third destination and then have settled down and gained a new nationality. Whether the Huayi have undertaken a second or third move, the possibility of re-sinicization is maintained for a long period, as is the Chinese identity.

Wang Gungwu states that the Huayi pattern of migration is strongly represented by well-educated professionals, more than any other kind of Chinese. Many are doctors, engineers, scientists, economists, lawyers, accountants, educationists, administrators and business executives, and as their professional skills appear to be needed in a fast-modernizing China, so there may be many opportunities for them to re-contact with their country of ancestral origin.

Chinese people outside mainland China identify themselves based on the above-mentioned four migration patterns. In the early migration period, people just temporarily moved away from their homeland and expected to go back to their home again one day. Chinese people who did not return to their homeland often kept moving on to a second or third destination, especially those following the Huayi pattern of migration, but the most impressive thing among all these migrants is that, is wherever they migrate; they still maintain and improve their 'Chineseness'.

In the early stages of the Kokang migration, the people were Huaqiao because the ancestors of the Kokang Chinese are Han from the mainland, those expelled and who moved to Yunnan Province when under Chinese administration. The people expected to go back to their homeland once there was a chance. However, after the Kokang area was co-opted into Burma by the British, the Kokang Chinese became Burmese citizens. As a result, the self-identification of the Kokang people also changed from Huaqiao to Huayi and Huaren, and new generations achieved foreign national status, while some kept on migrating to other countries.

In light of this, the Kokang Chinese possesses multiple identities. As there are many ethnic groups living along the China-Myanmar border area, the Kokang's identities are dynamic and follow their social relations. They may be Chinese on one

occasion and at the same time be Shan, Kachin or Burmese as well. Besides using these multiple and somewhat ambiguous identities, the Kokang also apply the Chinese concept of 'guanxi' in their daily lives and trade, plus their social and cultural activities as well.

1.4.2.2 'Guanxi' – A Social Network

The Chinese word *guanxi* is a general term used to refer to social networking, and is often translated as 'relationship' or 'connection'. In the existing literature, *guanxi* is commonly defined as a special relationship two people have with each other (Alston, 1989). To Jacob (1979), *guanxi* means connectedness or *particularistic ties,* and Gold (1985) says that "*guanxi* is a power relationship, as one's control over a valued good or access to it gives power over others", while Osland (1990) calls it: "…a special relationship between a person who needs something and a person who has the ability to give something."

The concept of *guanxi* refers to interpersonal relationships or connections in almost every realm of life within Chinese culture, from kinship to friendship and from politics to business. It can best be translated as friendship but with implications of a continual exchange of favors (Pye 1992). However, favor exchanges amongst members of a *guanxi* network are not solely commercial, but also social; and involve the exchange of *renqing* (feelings*)* and the giving of *mianzi* (face).

The relationship ties in *guanxi* are based on ascribed or primordial traits such as kinship, native place and ethnicity, and also on achieved characteristics such as attending the same school (even if not at the same time), serving together in the same

military unit, having shared experiences such as the 'Long March', and doing business together.

Once *guanxi* is established between two people, each can ask a favor of the other with the expectation that the debt incurred will be repaid sometime in the future (Yang 1994). Most *guanxi* studies apply a cultural perspective, explaining Chinese people's relatedness in terms of the ethical framework of Confucianism. Earlier scholars in the humanities emphasized Chinese society as relation-oriented, in that all human actions are seen as interactions between man and man. In other words, the formation of *guanxi* can be considered as the essential basis of the Chinese social structure, and the phenomenon of *guanxi* is uniquely Chinese.

Tu Wei Ming, a leading Confucian scholar, argues that there is a correlation between Confucianism and entrepreneurial spirit. He sees Confucianist attributes such as family centeredness, communal loyalty, participatory endeavor, group orientation, collective enterprise and hierarchical social order, as playing an important role in shaping economic growth in East and Southeast Asia (Tu 1984).

In contrast to the generalizing cultural view, Mayfair Yang's study of *guanxi* practices in China since the 1980s, based on her long-term fieldwork, provides an insight into the production of *guanxi* within everyday activities. It deals with the gift economy and incorporates social, economic and political contexts into the investigation. Furthermore, Yang points out the emergence of an unofficial order – known in Chinese as *minjian* or 'popular realm' – which is generated through the infinite weaving and diffusion of personal connections and group formations; forming an oppositional power which reacts against state bureaucracy.

In a very general sense, *guanxi* resembles Pierre Bourdieu's concept of "social capital", which, according to Bourdieu (1986, pp. 248–249), "is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition which provides each of its members with the backing of the collectivity-owned capital, a 'credential' which entitles them to credit, in the various senses of the word." As with other forms of capital, Bourdieu is interested in the ability to convert one form of capital into another. Clearly, in Chinese society, *guanxi* as social capital is accumulated with the intention of converting it into economic, political or symbolic capital. The study of *guanxi* can shed light on issues of political culture, such as the operations of informal politics and the potential for social networks to evolve into something resembling civil society (Lo and Otis 1999).

Guanxi is a kind of social capital which involves features of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions (Putnam 1993).

The central idea of social capital is that social networks are a valuable asset, and provide a basis for social cohesion because they enable people to cooperate with one another – and not just with people they know directly – for mutual advantage. Initially, the idea of describing social ties as a form of capital was simply a metaphor (John Field 2003: 12), while Bourdieu defined social capital as the sum of resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition.

Guanxi relationships are by definition unequal, although the locus of power shifts and may never be in complete balance (Hwang 1987; Wang 1979; Zhai 1996). Because of the intrinsic element of reciprocity and obligation, one party seeks some favor, which then obligates both parties to continue the relationship. Effective use of guanxi can provide face (mianzi), that is prestige and status. Pye (1992b, pp. 207–208) argues that "the advantaged position is that of the person who can 'pull guanxi' – that is, extract favors from the more fortunate partner" and Yan (1996a, p. 21, and Ch. 7) concludes that gift receiving rather than gift-giving generates power and prestige.

The Chinese scholar Liang Shu Ming argues that "Chinese society is neither geren benwei (individual-based) nor shehui benwei (society-based), but guanxi benwei (relation based). In a relation-based social system, the emphasis is placed on the relation between particular individuals: "The focus is not fixed on any particular individual, but on the particular nature of the relations between individuals who interact with each other" (King 1985).

Many scholars have found out that the guanxi network is one of the factors supporting the success in social, political and business life of Confucian-based societies such as Japan, China and Hong Kong. The guanxi network also plays a significant role in Kokang society in Myanmar, for their daily lives activities as well as in trade and for social relations. The Kokang are heavily reliant on their guanxi relationships based on kinship, ethnicity and friendship, in order to deal and negotiate with the authorities for carrying out their activities, as well as for transnational trade. The Kokang stress family ties, a work ethic, strong ethnic identity and the pursuit of wealth, but some scholars like Wang Guangwu argue that these kinds of attributes are only vaguely related to Confucian philosophy, and such Vulgar Confucianism is

found in many other Asian and non Asian cultures. The view of Confucian values as the vital factor in the economic success of ethnic Chinese is; therefore, certainly not sufficient.

Nonetheless *Guanxi* is not only important in building business relationships, but sometimes also supports political activities, and can be practiced during the daily lives of the ethnic Chinese and support them when dealing with different people in society. We can thus see that how *guanxi* plays a significant role in Yunnanese people's trading activities, for in Wen-Chin Chang's study '*Guanxi* and regulation in Networks: The Yunnanese Jade Trade between Burma and Thailand', it is clear that Yunnanese jade traders from Myanmar use their *guanxi* network to carry out successful trade activities with Hong Kong and Taiwan, and conduct transnational trade despite the state's trade policy. Their trade activities are based on trust, familiar within their *guanxi* network, which is the fundamental factor that enables and sustains their reciprocal interactions. *Guanx*i norms and values have been rooted in Chinese society over a long period, and this kind of cultural tradition will continue to be practiced by Chinese people.

1.5 Conceptual Framework

Reviewing the above mentioned literature containing different scholars' theories and discussions led me to understand the daily lives of the Kokang people in the China-Myanmar border area and the nature of this special region. As the following conceptual framework shows (Figure 1.1), this research focuses on the study of spaces of exception constructed in the border area and how state policies affect local people daily lives and what kind of strategies are using by the border-landers in order to overcome the unstable and shifting regulations of both states with regard to border development.

The conceptual framework of the study is as follow. The Kokang Special Administrative Area is located at the China-Myanmar border and has been run under a self-administration system for centuries. The border-landers from both sides have a long history of social, cultural and economic relations lasting many centuries. The inhabitants of the region are mainly Yunnanese from Yunnan Province in China, and due to the remoteness of the area, located far from any central administration, the central government does not have much political influence, though the area was formally cooperated into Myanmar after the British colonial period. The official border between the two states was established in 1962, and many policies have been applied in terms of border security, development and trade by both state governments and local authorities. The changing policies implemented in the area have affected the border-landers' lives culturally, socially and politically. The border-landers have therefore used a variety of strategies to cope with the changing and unstable policies operated in the border area.

Borders are generally located at the periphery of nations, and their geographical remoteness is the main reason why they are often isolated from the economic and political agendas of those nations. The Kokang region has long enjoyed autonomy, and the central government has set up flexible rules for the region, as a special administrative area. In Myanmar's neighbouring country, China, the SAAs and SEZs operated using a number of exceptions in terms of the normal economic and political agendas of the state. Spaces of exception have been deployed by many countries, mostly for economic development purposes, and I would like to examine how the space of exception in the Kokang region was constructed. The space of exception concept will guide me to understand how the state has deployed certain policies toward the SAA for the purpose of economic development and/or political integration. The borderland itself is a kind of space of exception from state sovereign power, and has led to the sharing of sovereignty among states and the re-territorialisation of the state.

Since the ceasefire agreement between the Kokang and the central government and the open-market policy was implemented by both China and Myanmar, the Kokang region has become an important area for border trade. As a result, both states have set up a number of policies with regard to border security and trade development. With the unstable political situation and uneven trade regulations in Myanmar, the Kokang people have used their dynamic identities and *guanxi* as a strategy to negotiate with the state powers in order to conduct their business.

Looking at ethnic identity will help me to understand how the identities of the ethnic people have changed according to the different situations they have faced and what state policies towards the ethnic group have been. The ethnic identity concept

can thus be used to examine state policies towards ethnic groups, such as the state
assimilation, accommodation and acculturation policies. Moreover, it can be used to
examine how the Kokang people have used their ethnic identities as a strategy to build
up a *guanxi* network in terms of their social, cultural and economic activities, and how
these *guanxi* networks have brought them success in their daily lives and supported
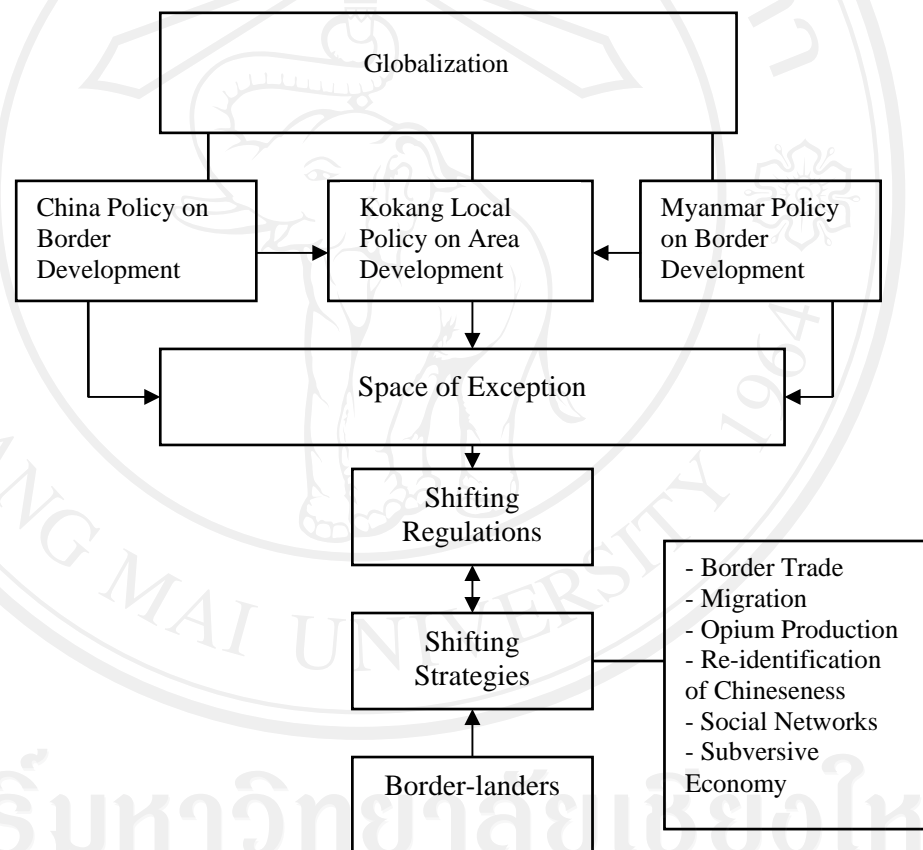their livelihood activities.

Figure 1.1: Conceptual Framework

1.6   Research Design

1.6.1   Study Site

I conducted my field study mainly in Laukkai, the capital city of Kokang Special Administrative Area and its surrounding villages in northern Shan State, Myanmar, a place where many Kokang Chinese reside. The Kokang region is situated to the east of the
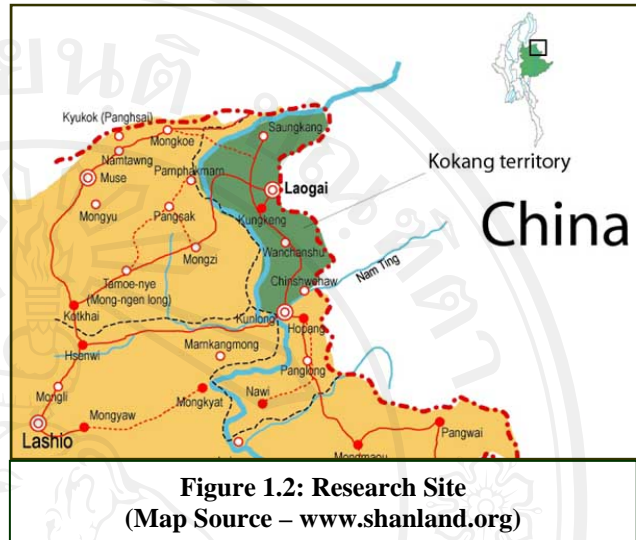

Figure 1.2: Research Site
(Map Source – www.shanland.org)

Salween River and forms the border area between Myanmar and the People's Republic of China. The distance between the capital of Kokang Special Region (1), Laukkai, and the Chinese border town of Nansan is only about ten miles, and many villages along each side of the border are just meters apart from each other. Due to the area's geographical remoteness and distance from the central cities of Myanmar, Kokang people mainly rely for their daily necessities on purchases from China. Cross-border trade has been established in the region for centuries.

The population of the whole of the Kokang region is estimated to be 200,000 (2010) and there are around 25,000 people living in Laukkai. In total, 90% of the population is Kokang Chinese, plus with some other ethnic groups such as the Lisu, Miaozi, Kachin, Palaung, Shan and Wa also living in the region. Since the Myanmar government implemented its open market policy in 1989 and with the weak immigration policies, many Chinese from Yunnan Province have migrated into Laukkai and the Kokang region over the porous border area. Nowadays, the Chinese

run businesses such as shops and restaurants, and Chinese hotels can be seen in almost all parts of the Kokang region. The local authorities have set up their administrative offices in Laukkai and use Chinese as the official language and the Yuan as the main currency in the region, along with the Myanmar Kyat. Moreover, since the ceasefire agreement between Myanmar and the Kokang, Laukkai town has developed into a modern border town, with all the modern facilities in terms of communication and transportation, as supported by the neighbouring country China, and has become like a small version of a modern Chinese rural town. As a result, I felt it would be a good place to carry out research in order to understand and examine the lives of the border-landers and to analyze how the SAA has been constructed, as it is embedded between two states.

1.6.2 Unit of Analysis

Data analysis for this study was based on the collection of individual narratives and on participant observation among the Kokang border-landers, Chinese immigrants and officials from the local area and China as well. Moreover, I observed the Kokang Chinese's interactions with the state authorities and other ethnic groups through the use of their social networks to conduct cross-border trade. This study will thus focus on how spaces of exception have been constructed in the border region, by examining the administration policies set up by both states and by the local authorities. To examine what kind of strategies the border-landers use to manipulate and interact with various institutions in different contexts, plus how they have used their social networks during their daily lives, I also analyzed migration patterns, cross border trade, and the social and cultural lives in border area.

1.6.3   Field Techniques

In order to understand the nature of the special region in Myanmar and the lives of the people there, qualitative research methods, participant observation and in-depth interview were used to collect the data and information. Since I was born and grew up in central Myanmar and do not have much knowledge of the Kokang people (though I am a Kokang descendent), I first had to do some documentary research to understand the historical and political context of the Kokang, both in the past and in the present context, before proceeding to my field site. I therefore had to access many books, reports, journals, meeting minutes and news items written in Burmese, Chinese and English.

My field research was conducted from November 2010 to January 2011 - for a three month period. Before proceeding to my field study site, I spent a couple of weeks in Yangon to do some documentary research, where I found almost no Burmese literature written on the Kokang Chinese; many people even do not know who the Kokang Chinese are. Through a professor at the History Department of Yangon University, I was able to access some government archives, after a lengthy library membership registration process. The Historical Research Department of the library works under the Ministry of Culture, and many government archives and military historical records can be found in the library. Though the Kokang Chinese are officially recognized as one of the ethnic groups in Myanmar, there is relatively little literature and few historical records on this group. Most of the records I found were about the situation during the Burma Communist Party period, when the Myanmar government's military troops conducted several wars with the Burmese Communist Party (BCP). These archive papers proved very useful in terms of my study's

background information and the status of the Kokang Chinese in Myanmar. Data sources included government publications, previous research papers, newsletters and publications by the local and Chinese authorities, NGOs and the UN. Most of my secondary data was collected using the Kokang Special Region's internet website, where I found the policies and rules of various administration departments, items on cooperation between China and the Kokang, as well as the society and culture of the people.

My first visit to the Kokang region was in 2001 - a family trip to pay homage to my ancestors; and as it was my first visit, everything was new for me, from the people lives to the environment in Kokang. As soon as we entered the Kokang Special Region, we had to travel on bumpy, slippery and muddy narrow roads to reach our destination village which is not far from Laukkai, for at the time there were only a few kilometers of good roads in Kokang. We had to spend a night in Laukkai, as the road conditions did not allow us to travel to our destination within a day. We also had to pass through and report to several checkpoints as soon as we entered the Kokang region, where fully equipped Kokang Chinese soldiers were guards. Many young and older men in Kokang soldiers' uniforms could be seen everywhere around the region, and security was tight as we had to inform to every local checkpoint as to where were heading, though we are all from Kokang and speak the same dialect as the Kokang Chinese. In 2001, poppies were still being grown in Kokang, so poppy fields and the flowers could be seen in many villages around the region. People lives seemed quite simple and peaceful; they were friendly and were treated as long lost relatives by everyone. This was different from what I had been told about the Kokang from the news and media - that they are wild, rude and backward people.

Before the second trip to my research site in 2010, I conducted several interviews with Kokang elders in Yangon, Mandalay, Taunggyi and Lashio. From their life stories, I found out more about the historical situation and lives of the Kokang people in Myanmar, and many of the elders. I inform the Kokang external relations office in Lashio in advance, before starting my field studies in the Kokang region, in order to avoid any misunderstandings regarding my study. In other ways, I has already informed concerned people about my research, for as the Kokang region is in a politically sensitive area, outsiders normally need to get permission from the government or the Kokang authorities to enter, especially those from international organizations. Few Burmese nationals ever travel into the region as it has had many conflicts over time, and the region and its people have been marginalized for many decades. Through some social networks and with the help of friends, I was able to arrange to stay at one of the local authority-owned hotels, from which a casino operates, so I got a chance to investigate the gambling going on without facing any constraints. I also had the chance to talk with gamblers and casino staff in order to understand the gambling situation in Laukkai. The local Kokang authorities also helped me with my field data collection, and some of the local administration office staff even accompanied me to the villages when I did my field data collection. As the top-down administration approach has been practised in Kokang since the BCP time, without any approval from the central authorities, village heads are reluctant to let outsiders into their villages, especially when wishing to interview people. Since I was conducting my studies for education purposes, all the village heads welcomed me very warmly and allowed me to conduct my in-depth interviews with the villagers. Many Kokang Chinese still live in their original villages, though the transportation

and communication make it easier to move away nowadays. Some of the villages are quite far from Lauukai, and only 20% of the population living in Laukkai town itself are Kokang Chinese, so I had to go to several villages around Lauukai in order to meet more Kokang Chinese and be able to understand their life in the region. In the end I interviewed more than 100 Kokang Chinese of different age groups, both in the region and also in Lashio, Mandalay, Taunggyi and Yangon. Almost all my informants were men of different age groups, as the Kokang women and girls were shy when I tried to interview them. I assumed that this was related to the social and family structure in the Kokang Chinese community, whereby no females are involved in local administration duties nor local development activities, although there are many bright, literate women in Kokang society. All the household issues or local area development activities are decided-upon by the household head, who is usually a man, and although there is no specific gender discrimination between men and women in Kokang, the women are used to following their husband's decisions, and have been for generations. As a result, is not easy to get information and data directly from women, except for some of the elderly. During my interviews, the women usually assisted, sitting beside their husbands or the household head to provide more information on their life experiences. I could not collect life stories directly from the women; I had to collect them through their husbands or the household heads.

My second trip in 2010 was somewhat different from my first, as there was only a Myanmar government soldier guard at a checkpoint to report to when I entered the KSR. The roads and the infrastructure of the region had totally changed, and high buildings were stood on both sides of the concrete road leading to Laukkai. However,

most of the buildings were locked when I visited due to the August crisis[1] ; many houses owners had fled the Kokang region - some moving to the government controlled area or to China. By the time of my visit they had not returned to Laukkai, though the area was peaceful by the time I conducted my research. The roads towards the villages are now all well paved with cobblestones, and almost no Kokang Chinese troops can be seen on the streets, as was the before due to the recent conflict with the central government, in August 2009. The local armed troops have been transformed into a Border Guard Force (BGF), and many Burmese soldiers and traffic police can be seen on the streets to enhance the area's security. Most of the shops, restaurants and hotel signs are still written in Chinese characters, with only a few written in both Burmese and Chinese.

Most of the people in the region do not understand Burmese, but when I visited there is no language barrier for me as I was able to communicate with the local people using the local Kokang Chinese dialect, which is similar to Yunnanese. As a result, they were happy to talk to me, and so I explained to them the purpose of my study and almost all of the informants said they would be willing to share their life experiences with me. For my key informants, I selected people from different migration periods, those who had migrated into the region during several different waves; men and women, locals and new migrants, the local authorities, NGOs and development workers, China border security officials, local soldiers, the local Kokang authorities, and Myanmar government staff and officials. When interviewing them, I

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[1] In August 2009, there were armed clashes between central government forces and Kokang armed troops on the issue of disarming the Kokang troops and transforming them into a Border Guard Force (BGF) under military government administration. The Kokang troops disagreed with this central government policy and three days of clashes broke out in the region, which led to thousands of Kokang Chinese fleeing into China as refugees.

collected their life stories and these helped me to understand how they give meaning to being Kokang, the spaces of exception constructed in the borderland, the meaning of borders and homeland and of being a Kokang Chinese in Myanmar, and their views of the other ethnic groups plus how they conduct cross-border trade activities, cross-border social and culture relations. During my stay in the region, I also had the chance to participate in local wedding ceremonies, traditional worshipping events and project field trips with development organizations, plus attended some competitions organized by NGOs. I also visited several border crossing points, to observe what kind of border crossing activities go on and how people cross the border every day. I also visited many government departments, including those of health, education, border development and immigration, in order to meet government officials and understand the relationship between government officials and local authorities, plus the nature of the special region. Overall, most of my field data was collected through participant observation and in-depth interviews.

1.7 Structure of the Thesis

This study is presented in six chapters, including this introduction. In Chapter II entitled 'The people: Who are the Kokang Chinese?', the historical background of the Kokang Chinese will be introduced. The Kokang Chinese were originally from China and started to migrate to the remote, border area of China at the end of the Ming dynasty. After the official borderline was demarcated by the British and Chinese, they became one of the many ethnic groups inside Burma, though 90% of the people are Chinese. The number of Kokang people in Myanmar has increased year on year, but the group are still relatively unknown among Myanmar nationals. In this

chapter, the different waves of Chinese migration into Kokang and the people's mobility patterns will be analyzed; moreover, the current status of the Kokang Chinese in Myanmar will also be discussed.

In Chapter III, 'The Place: The Origin of Spaces of Exception in Kokang?', the environment in the Kokang special region will be introduced. This chapter attempts to explore in what ways this geographically isolated landscape has come to present spaces of exception - politically, socially and economically, from the central administration over time. These exceptions will be illustrated over different periods of the Kokang administrative system; how the local authorities administered the region without any influence from the center right up until the formation of special region in 1989. After the ceasefire agreement was made between central government and Kokang armed troops, the Kokang region came under the local authorities' administrative control, and since that time has gone through several internal conflicts. How the political spaces of exception have been constructed in Kokang will be disclosed in this chapter.

In Chapter IV, 'Kokang Special Region (1) – 1989-2009', the nature of the special region in Myanmar will be explored through changes in the role of the government in the region, and also the important role of the local authorities in the area in terms of development activities. This chapter will also discuss how the opium ban has impacted local people's livelihoods, and how the local authorities have been working towards the area's development by setting policies and rules. The decentralization of the Myanmar government's administration over the special regions in Myanmar will also be reviewed in this chapter.

In Chapter V, 'The Adaptive Strategies of the Kokang Chinese in the Special Region', the changes in the Kokang's people lives since the opium ban will be explored. The people's lives changed after the opium ban, as they lost of their main livelihood source. In this chapter, the kinds of strategies employed by the Kokang people in order to adapt their lives will be studied. By taking advantage of being border-landers, the people involved in the subversive economy, including gambling, smuggling, drug trafficking and money laundering, have adapted their lives, and I will explore how, as a Chinese society, the *guanxi* social network is important for the people.

Overall, this study highlights the spaces of exception that the central government has granted to the local authorities on area administration duties, and the adaptive life strategies used by the people since opium cultivation was banned. This study, although limited in terms of time and in terms of the role of the special region and the people lives will, I hope, provide a better understanding of the Kokang people and their lives in the border area. I will also explore how self-administration may have helped the ethnic people develop their region and how they feel their lives may have been supported under self-administration, and will try to create a better understanding of the real situation faced by the Kokang Chinese in Myanmar.

Figure 1.3: Map of Burma and its Neighboring Countries

(Source United Nations)