

## Chapter 6

### Conclusion and Discussion

#### 6.1 Introduction

This study has explored and shed light on the nature of the Kokang Special Region (KSR) (1), which is located along the China border in Myanmar, and the lives of one of the ethnic groups who live there - the Kokang Chinese. By highlighting the everyday life experiences of the Kokang Chinese in the KSR, which happens to be located in a remote area geographically, and has an unstable social and political context, this study argues that the KSR is by its nature and history a 'Space of Exception' in Myanmar, and that the Kokang Chinese are "resilient people", plus are "active agents" who can make use of their *guanxi* (social network) plus their flexible and multiple identities, to overcome the obstacles they face during their daily lives. They have not passively accepted the difficulties they have faced over the years such as conflict, poverty and marginalization from the central state structure, but have made every effort to succeed in their lives. Not only has their hard working nature, their social network and their multiple identities supported them in their success, the administrative nature of the region, the sovereignty issues between Myanmar and China, as well as the historical construction of the border and boundaries in the region, have allowed the Kokang Chinese to develop additional social status as compared to the country's 135 other ethnic minority groups.

The centralization of government administration and a Burmanization process after independence from Britain in 1948, resulted in the development of ethnic resistance movements across the country. Kokang Chinese troops also fought against the central government for their ethnic rights and for self-autonomy in the Kokang region. As a consequence, conflict and war slowed down the development of the region and the people's livelihoods as well. Kokang people received a certain amount of support from China, as the Chinese government wished to maintain a relationship with Myanmar and keep the border situation stable. Social, cultural and economic ties with China meant the Kokang Chinese were able to conduct cross-border trade activities. As this study has shown, to this day the Kokang Chinese's mobility is restricted, and obstacles are put in their way by state sovereignty and power; however, their transnational social network and multiple and flexible identities have facilitated their mobility. To overcome all the unstable and shifting social, cultural and economic policies of the state, the Kokang Chinese have become involved in the subversive economy in order to adapt their livelihood changes.

As proposed in Chapter I, the conceptual framework for this study was based upon two major axes: the construction of spaces of exception along the Myanmar/China border and the shifting strategies of the people when applied to adapting to their lifestyle changes in the KSR, both of which are closely intertwined with each other in the empirical ground. This chapter will conclude the study with a discussion of the major findings, those based on my research questions:

- 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?

- 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?

## 6.2 Research Findings

Regarding the first question, the study shows that the Kokang region and the people in the region have enjoyed relatively high levels of autonomy for some time. Although the region is embedded between the two states of Myanmar and China, not much influence can be seen from either of these two states in the Kokang region. From a historical perspective, the region has long been relatively independent, with self-administration, though there have been several conflicts and civil in the region over the years.

From the findings in Chapter I we can see that the Kokang Chinese group is composed of the descendents of Han Chinese migrants from different parts of China, especially from Yunnan, Sichuan, Guanxi and Gui Zhou Provinces, having migrated into Kokang since the sixteenth century in five different waves, based on the migration period. Though they have a different migration patterns into the Kokang region, the livelihoods of these different migrants have not varied much. Before the 2003 opium ban in Kokang, most of their main livelihood activities involved poppy cultivation – the production and sale of opium. After the ban was introduced, the livelihoods of the villagers changed to focus on the subversive economy, while some migrated out of the KSR to do business in the cities.

The research findings outlined in Chapter III and Chapter IV show that the Kokang area was under the local authorities' self-administration throughout the British colonial period, during World War II and even as part of an independent Myanmar. The area has thus been free of any external power centers for centuries, and the local people have enjoyed many spaces of exception from central government administrations. All big and small issues encountered with the area's development and administration were thus left in the hands of the local authorities. Due to the remoteness of the area, and the difficult transportation and communication links between the region and central government controlled areas, the central government was not able to exert much influence over the area, unlike the other within the military government-ruled country.

From the moment a group of Han Chinese refugees from the late Ming Dynasty became established in the area, the area came under the rule of the local hill tribe chieftains, and during this time different ethnic groups resided in this remote mountainous area of what was then Yunnan Province, in China, carrying out shifting cultivation and hunting or gathering for their livelihood activities. After the British conquered almost all of the northern Burma, including many Shan States, in 1885, Kokang was incorporated into British Burma by the Anglo-Chinese Treaty of 1897, becoming a part of Shan State.

The British government applied a 'divide and rule' policy to rule the country and put the Kokang region under Hsenwi state administration in northern Shan State. Due to its geographical location, its different cultures and traditions among the people and the large number of Chinese living in the area, it was later separated from Hsenwi, after World War II in 1945, and given rule under Tu Shi Guan, who was of

Chinese origin. The Kokang self-defence force was organized in 1793 by Tu Shi Guan in order to protect the region from outside invaders and secure the local people's livelihoods. After Burma gained its independence from the British government in 1948, many ethnic people became minority groups in the country, of which the Kokang Chinese were one, one of the 135 ethnic minorities in Burma, though the inhabitants were mostly Chinese descendants. In Burma, the Chinese was a minority, as there were less of them than the Burmans.

The administrative system in Kokang remained unchanged, even though Myanmar gained independence from the British and the country went through political reforms, up until the Nay Win government forced all of Shan State's *Sawbwas* to relinquish their powers in 1959. Since then, the hereditary ruling system in Kokang has disappeared and some changes to the local administration process have taken place. On March 2<sup>nd</sup> 1962, the military government took power across the whole country and centralized government administration functions. Dissatisfied with the Myanmar government's centralized administration system, and in order to gain the same rights as Burmese people, many ethnic minority groups organized armed troops and fought with the central government's military forces for their rights and for autonomy in their areas.

The Kokang self-defence force formed by Tu Shi Guan was re-organized and fought for autonomy of the region. During the long time that the Kokang Chinese tried to gain autonomy, the region was under the control of the Burma Communist Party (BCP), which received support from the Chinese Communist Party. Some battalions of the BCP were based in Kokang, from 1968 and until the Kokang troops separated from the BCP in 1989. During this whole time, Kokang was mainly

independent of Yangon. Eventually, the Kokang self-defence troops, led by a Kokang Chinese called Peng Jia Sheng, joined the BCP to fight against the central government for autonomy of the region. Due to their desire to develop the Kokang region under Kokang Chinese rule, the Kokang troops separated from the BCP in 1989. That same year, they signed a ceasefire agreement with the central government, and the decades-long fight with the central authorities ended (see Chapter II). The Kokang Chinese troop, one of the first insurgency groups in Myanmar, signed a ceasefire agreement with the central government, so the area was renamed Kokang Special Region (1) and the Kokang authorities were granted relative autonomy and control over the region by the central government. Moreover the local Kokang authorities were also allowed to maintain their own army for the area's security along the China/Myanmar border under the terms of the ceasefire agreement.

My research uncovered that the Myanmar central government does not now have much administrative influence over the Kokang region, even though they have set up many government departments and posted lots of government officials to the KSR. Due to limited government funds, the area's remote geographical location, the language barrier and the culture differences between the local people and the Burmese, the area has remained an exception in terms of the central government's administrative reach. Under the agreement, the region was left under a local administration committee composed of Kokang army members, and there is almost no intervention by the central government authorities. The local Kokang authorities have set-up their own rules and regulations to control their region socially, culturally and economically. Most of the local administrative system follows the BCP model, and some policies have been adapted from the neighbouring country, China. Chinese is

the official language, as the majority of the population in the region is Chinese and they have strong social ties with the Chinese from across the border, and have done for a long time. A top-down administrative approach has been implemented in the region and there have been several conflicts among local authority factions with regard to competence of power, and wealth.

I also found that the local Kokang Chinese and other ethnic groups such as the Lisu, Miaozi, Kachin, Shan, Palaung and Wa live harmoniously under the rule of the local administration committee and there have been no reports of ethnic conflict among the people. Moreover, the Kokang region and the border-landers who live there have received much support from the Chinese government to help the area's development, and to improve the livelihoods of the local people. In order to implement an opium ban in Kokang region and to reduce the flow of drugs from Kokang into China, the Chinese government, and especially the Yunnan Province government, has supported the Kokang authorities with alternative development activities. In addition, in order to maintain the social relationship between China and Kokang, the Chinese government has not imposed strict border crossing policies on the Kokang border-landers; they can cross the border freely for social, cultural and economic activities, those which have been carried out for centuries. The border is invisible for the people living on both sides of it, and due to the Chinese government's and local authorities' special policies on cross-border activities since the ceasefire agreement, many Chinese from mainland China have migrated into Kokang region. Some of them have invested in mining, logging and farming activities in the region, and these activities have led economic development in the area. The former war-torn area of Kokang has rapidly developed into a so-called modern border-trade region,

with many high buildings, sealed access roads, schools, hospitals and banks; a hydropower station, hotels, restaurants, shops and most of all internet access, all within just two decades.

As the Kokang people have had a centuries-long social relationship with the Chinese from China, so a wide range of Chinese influences can be seen as part of the people's daily life activities. Most of the Kokang Chinese are descendents of the Chinese from Yunnan, Sichuan, Guanxi and Guizhou provinces. Although they have lived in the region for several generations, they have maintained their social structure, culture and traditions from China very effectively. Also, many ethnic people in the region have been assimilated into Chinese society. Parents now send their children to Chinese schools rather than learning Burmese culture and traditions. Most of the younger generations from the Kokang Region reckon that they are Burmese citizens, but they do not want to learn Burmese culture, traditions or language. For them, Chinese is their mother tongue and it will better support them in their future life plans when compared to Burmese, as they live so close to China, plus China's economic power is increasing and its influence extending over the region. The central government claims that they have supported the Kokang authorities in the area's development and that they have granted the people there the same rights as other Burmese citizens, but in fact only limited assistance has been forthcoming from the central government. The Kokang Chinese did not previously receive the same rights as the Burmese, as the majority of the population there did not own a valid national identity card - as a basic citizenship right. The people thus lived in the region as "stateless" citizens for generations and some of them still recognize themselves as Chinese. Those who had a national identity card received it by claiming to be Shan,



Kachin or from another ethnic group, though they still spoke the Chinese language and practiced Chinese culture and traditions.

Recently, the situation for the Kokang local administration changed, prior to the election in Myanmar which took place in 2010. As one of the country's ethnic groups, Kokang delegates participated in the Myanmar National Convention aimed at drawing-up a new constitution for the country. The new 2008 Constitution states that all the ethnic armed forces should disarm and form a border guard force (BGF) with some involvement of the central government military officers, and should train and operate within the administrative guidelines set by the central government. Several ceasefire armed groups could not accept the government's policies and since then tensions have arisen between these groups and the government's military forces. In August 2009, there were clashes between the central government and the MNDAA on the issue of disarming local troops and forming the BGF. This clash has since changed the administration system in Kokang. The former Kokang leaders fled the Kokang area, which came under a temporary administration committee formed by the central government and some local Kokang authorities.

The unstable and changing political situation in the Kokang region in recent years has also impacted upon local people's daily lives, so the second part of my research looked at how the Kokang Chinese in the KSR have undergone changes and what kinds of strategies they have used to adapt their livelihoods. This study shows that the livelihood strategies of the Kokang Chinese vary depending on their family background, such as who has good connections with the authorities, who has a strong social network, who is literate and who has more opportunities to access resources.

The Kokang Chinese are mostly simple agrarian people, and have operated as petty traders over many centuries.

As the study shows in Chapter II, many Kokang Chinese cannot speak Burmese though they are recognized as one of the ethnic groups in Myanmar. Due to the political situation, the region where they reside was once known to the government as a “black area”<sup>1</sup> when it was under the control of the BCP. For security reasons, the central government at that time did not allow the Burmese or any other outsiders to travel into the region. After the ceasefire agreement, there were no travel restrictions imposed by the central government, but nobody from the other, central government controlled areas traveled into the region even though there was no longer any conflict. As a result, people from the KSR have had almost no chance to interact with Burmese people, just the Chinese and others in the area. The Kokang Chinese have maintained and practice their rites and rituals, and have done so for generations. Moreover, the Chinese language and currency are officially used in the region, and their Chinese language skills and Chinese identity help them conduct cross-border trade, and their social network is an important support tool; important for their daily lives.

Because of their position in this remote area amid many different cultures, the Chinese people in Kokang have learned to interact with diverse peoples. This has given them the ability to maintain a flexible lifestyle and to possess multiple identities, those that they can use in a variety of situations. Almost all the Kokang Chinese can speak several languages, such as Shan, Kachin, Lahu and Burmese, as well as Chinese. The Kokang Chinese use their multi-lingual skills to conduct trade and their daily life

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<sup>1</sup> An area full of conflict and under the control of rebellious or insurgency groups

activities such as working as wage laborers, or working as coolies and porters for trade far outside Kokang – in other areas of Myanmar as well as Thailand, China and Singapore, all with the help of their social networks.

My study found that the Kokang Chinese use their multiple identities and social networks to practice various livelihood strategies that help them overcome the unstable political situation and government policies that would otherwise oppress them (Chapter V). One of the most significant changes that has taken place with respect to people's livelihood strategies took place due to official intervention in their agricultural activities. Previously, the Kokang Chinese were dependent upon poppy cultivation as their main livelihood activity. For centuries it was their main cash crop and people bought their daily necessities from China with the money derived from selling opium. However, due to a opium ban implemented by the local authorities in 2002, the Kokang Chinese are no longer able to grow opium as their main cash crop in the region or its surrounding areas. During the opium cultivation period, people's lives were simple and self-sufficient, though they faced several civil wars and conflicts in the region. These wars and conflicts in the region; however, did not have much impact upon people's lives, but the opium ban brought them many livelihood problems, for the situation in terms of food security, health care and education became much worse in the KSR after the people's main livelihood was destroyed.

Although many Kokang people had already been travelling outside the region for trade and other reasons, after 2002 this accelerated. Since then, many Kokang Chinese have migrated out of the region, often with the help of their relatives or social networks, either to government controlled areas or to China and Thailand to look for a better life. Due to their hardworking nature and close family ties, the Kokang Chinese

lives have developed more than any of the other ethnic groups in the region, and are mostly involved in the trade, mining and logging sectors. As Chinese descendents, their livelihoods rely heavily on their social or family networks; however, when they are outside of the area they often pass themselves off as members of other ethnic groups in order to fit in with the locals more effectively.

At the same time, due to their strong ties with China, some Kokang Chinese have remained in the region and established alternative cash crop plantations such as rubber, sugarcane and tea, with the financial and technical backing of China. My research found that many Chinese from China have migrated into Kokang to invest in the agricultural sector since 1990. Most of these businesses are jointly owned by local Kokang Chinese and Chinese from China. Due to the fact that those living on both sides of the border speak the same dialect, practice the same culture and traditions, it is difficult to differentiate between who was born locally or who is a Chinese immigrant. Many Chinese immigrants live in every village in the region, carrying out petty trade and farming. Some have migrated to other, central government controlled areas with the help of their social networks among the local Kokang Chinese. The central government's relaxed immigration policy has allowed the Chinese to buy national identity cards as Kokang Chinese, and to settle down in many areas within the country. Most of them have invested in business activities such as mining, logging and export/import, and some play a leading role in the country's economy. Their remittance money also provides a lot of support to their family members who have remained in the KSR.

Some Kokang Chinese have taken advantage of being border-landers to become involved in the subversive economy, carrying out drug trafficking, smuggling, gambling and money laundering along the China/Myanmar border area. Due to the privileged economic policies of the local authorities and Myanmar government in the KSR, many outsiders, especially Chinese, have been allowed to set up casinos and gambling dens in the region, where many young Kokang people now work. The casinos have created job opportunities for the local people and have also brought revenue for the local area's development activities. Moreover, my research found that many poor family's livelihoods are dependent upon gambling, as they do not have enough capital to conduct other business activities.

As descendents of the Chinese, the Kokang value their family networks and social ties, and these play a significant role in their livelihood activities. My study also sheds light on how the social network called '*guanxi*' is important for the Kokang Chinese, and in particular for their cross-border trade activities, drug trafficking and daily social-life activities such as looking for a job and migration. Although the Kokang Chinese are not directly involved in the cross-border trade activities, which are normally undertaken by the Chinese, they are involved in some smuggling and export/import activities with the help of their social networks (see Chapter V).

My study also found that the Kokang people involved in the drug trafficking and smuggling activities tend to be richer than those who grew poppy. The income from these trades has helped a number of Kokang families to set up businesses outside the region. When their family members migrated from the region to government controlled areas or elsewhere, they laundered their opium money and established legitimate businesses in these locations. Almost all the well-off families in Kokang

now own businesses or houses outside the KSR. These families can also send the younger generations to other areas or countries to gain a better education. Many Kokang Chinese have become tycoons in Myanmar and some now play a leading role in the country's economy. Overall, I have found that the Kokang Chinese's life in the KSR has improved a lot as compared to when they grew opium. People's lives have improved along with the open market policies implemented by both states, despite other border-crossing, socio-economic, cultural and economic policies changing. Whenever the central government has imposed policies regarding the social, cultural and economic lives of the border-landers on the Kokang Chinese and others living in the border region, they have found a way to subvert the rules and regulations when impacting upon their livelihoods.

### 6.3 Theoretical Discussion

By studying the Kokang region from an historical perspective, I have shed light on the nature of the Special Regions in Myanmar and the spaces of exception constructed in these border areas. Soon after I started writing this thesis, on 27<sup>th</sup> August 2010, the KSR was officially recognized as the Kokang Self-Administered Zone (ကိုးကန့်ကိုယ်ပိုင်အုပ်ချုပ်ခွင့်ရဒေသ). As per the 2008 constitution, Self-Administered Zones and Self-Administered Divisions are administered by a **Leading Body**, which consists of at least ten members and includes state or regional *Hluttaw* (Assembly) members elected from the Zones or Divisions, and other members as nominated by the Armed Forces. This Leading Body has both executive and legislative powers, and a Chairperson is head of each Leading Body (2008 Constitution)..

In Myanmar, most of the country's plans and policies on social, cultural, economic, political and development issues are centrally planned and have been implemented using a top-down administration approach since the military regime gained power over the country. Many ethnic insurgent groups have fought with the central government over the years seeking autonomy and ethnic rights, since Burma gained independence from the British in 1948. Kokang Chinese troops also tried to gain administrative independence from the central government for half a century, and finally in 1989 signed a ceasefire agreement with the government, receiving special privileges with regard to social, cultural and economic matters in the region in return. The Central government also granted administration rights to the local Kokang Chinese, though the area in which they live was not officially pronounced a self-administered region, but named Kokang Special Region (1).

Along with the recent change in the region's name from a Special Region (1) to a Self-administered Zone (SaZ), the administrative system in the area has also changed. As per the new constitution, the central government has decentralized some administrative rights to the self-administered zone which is led by a Leading Body. In reality, the SaZs are not totally under the control of the local people, though the name is 'self-administered'. In fact, these are areas where the state has not relinquished or unbundled its power, but has simply developed more flexible policies. In the Kokang area, the chairperson of the SaZ is a Kokang Chinese, but there are several government officials posted within the Leading Body. The Kokang region has been officially recognized as an SaZ within the political context of the new Republic of the Union of Myanmar, and I have argued that the local authorities actually had more self-autonomy when the region was called the KSR (1), a time when people in the

region enjoyed a high degree of autonomy from central government decision-making processes.

According to Aihwa Ong, spaces of exception are produced when a neo-liberal logic of economic growth is implemented by a state. She states that China has deployed spaces of exception to develop the country's economy by creating Special Economic Zones (SEZs) and Special Administrative Regions (SARs) throughout the country. SEZs aim to help integrate the country economically, while the SARs have been created to accommodate 'different' political entities, such as Hong Kong and Macau. Within these areas, the local administration unit is fully authorized to make decisions on area development activities. Aihwa Ong argues that China's policy towards the SAAs and SEZs is marked more by flexibility in terms of state practice than by the unbundling or disaggregation of powers.

Similarly, the Myanmar government has also implemented spaces of exception in the country by creating Special Regions along the border area, of which Kokang is one. The spaces of exception in Myanmar are not aimed so much at the country's economic development, but are used to maintain peace and order in the country. There have been several civil wars between central government forces and ethnic groups over the years, in which the ethnic groups have fought for equal rights for and control over their respective regions. My study shows that the central government has decentralized its administrative powers to the special regions, in order to accommodate ethnic political entities. The local ethnic authorities have full authorization to decide on their respective area's development or administrative issues, without any intervention from the central government. The central government has not purposely created these kinds of exception in these regions, but has done so to



take into account the exceptional circumstances that have developed in Myanmar over the last three decades.

Although the central government attempted to exert control over the Kokang people and the region as soon as it was made independent of the British government, it could not gain much influence over the region due to the large number of Chinese people residing there and its remoteness, as well as the lack of government resources. Constraints in terms of a language barrier, different cultures and traditions in the area, plus the poor transportation and communication links and lack of government control, allowed the region's administration to remain largely separate. Throughout its history, during World War II and onward to an independent Myanmar, the region has been excluded from central government administrative control. Although the central government has attempted to implement government policies on political, social, cultural and economic matters in the region several times, no significant government influence can be seen in the region. The region thus performs as a "state within a state", with its own administration rules and regulations which are totally different from the mainstream administration system in the country.

The local area's development plans since 1989 have all been managed by the local authorities and the revenue has also gone to the local administration committee. As a result, there is almost no role for the central government in the region, and Mary P. Allen has described the relationship between the central government and the KSR as "devolution", whereby the region's administration is totally under the rule of the local authorities and businessmen. The central government created a lot of exceptions in the KSR until the region became one of the six self-administered zones very recently. With their own rules and regulations, the local authorities and the people

carried out many social, cultural and economic developments in the region prior to 2009. Spaces of exception have not only brought economic development to the region, but have helped normalize the situation for the citizens and given them control of the region, where before there were many crises. Spaces of exception have thus become important in terms of the political integration and economic development of the nation state.

The livelihoods of the people in the KSR are also different from other areas. After the opium ban and the ceasefire agreement, the local people took advantage of the economic privileges offered by the government towards the region and became involved in a number of activities, some of which were actually recognized as illegal by the central government. One of the important factors supporting the Kokang Chinese in terms of their border trade, social lives and business activities in Myanmar is their multiple, flexible identities and social networks - or *guanxi*. The Kokang Chinese possess multiple and flexible identities and they move them around in light of the situation they face in their daily lives. They can be both Chinese and Burmese depending on the situation. I have found that the Kokang Chinese had a single Chinese identity in the past, when the region was under the rule of Tu Shi Guan; but that this identity has been over the last half-century due to internal and external factors.

Firstly, before 1959, most of them identified themselves as Chinese, or *Huaqiao*. As Wang Guang Wu says, the *Huaqiao* are the Chinese who live away from their homeland and expect to go back once they have a chance. The first Kokang Chinese settlers in Burma were Han Chinese refugees who addressed themselves as *Huaqiao* and maintained their Chinese identities in terms of culture and traditions.

Although there was some intermarriage with local hill tribes, they did not adapt others' ethnic identities; others were in fact assimilated into Chinese society. Thus, the Kokang Chinese seemed to possess a static and singular identity as Chinese in the past; however, they looked upon Kokang as their home and did not feel any need or reason to return to areas further inside China. Nowadays, many of them identify themselves as *Huayi*, or foreign nationals of Chinese descent who are largely foreign-born. They are not like the *Huaqiao* - temporary residents abroad, but have become foreign nationals and have been for generations.

Ethnic identities are not always static but changeable and variable, and I have found that the Kokang Chinese across time and space have developed multiple identities. Some Kokang Chinese initially joined the caravan traders as coolies or porters, traveling out of the region for trade purposes. As the Kokang Chinese's contact with other ethnic groups increased, so their identities shifted. My study shows that in the past the Kokang Chinese sometimes addressed themselves as Shan, Kachin or from other ethnic groups to make it easier to conduct trade or other social activities with people. Depending on the situation, the Kokang Chinese have shifted their identities according to what role they are playing in the course of an interaction with other groups. Moreover, their ethnic identities have been constructed, invented and changed as part of a continual and complicated process, not only by external forces and the arbitrary labeling of outsiders, but also by their own social process of creating a self-image (Keyes 1995).

Before the ceasefire agreement between the central government and the Kokang armed forces in 1989, the Kokang Chinese were known as hill tribe, backward, opium smuggling, uncivilized people among other groups. Many Kokang

Chinese who resided in the central government controlled areas addressed themselves as Shan, Kachin or overseas Chinese in order to create a self-image superior to the other hill tribes. Especially now that Chinese economic influence has grown in the region, the Kokang people place more emphasis on their being Chinese, so it can be concluded from my study that ethnic identity is something dynamic and constantly changing. The Kokang Chinese possess, not static, but multiple, flexible and sometimes shifting identities which vary according to a variety of social conditions. As Keyes says, ethnic identity is not genetically determined; it is a variable factor in social relations and is deployed in pursuit of individual or group advantage.

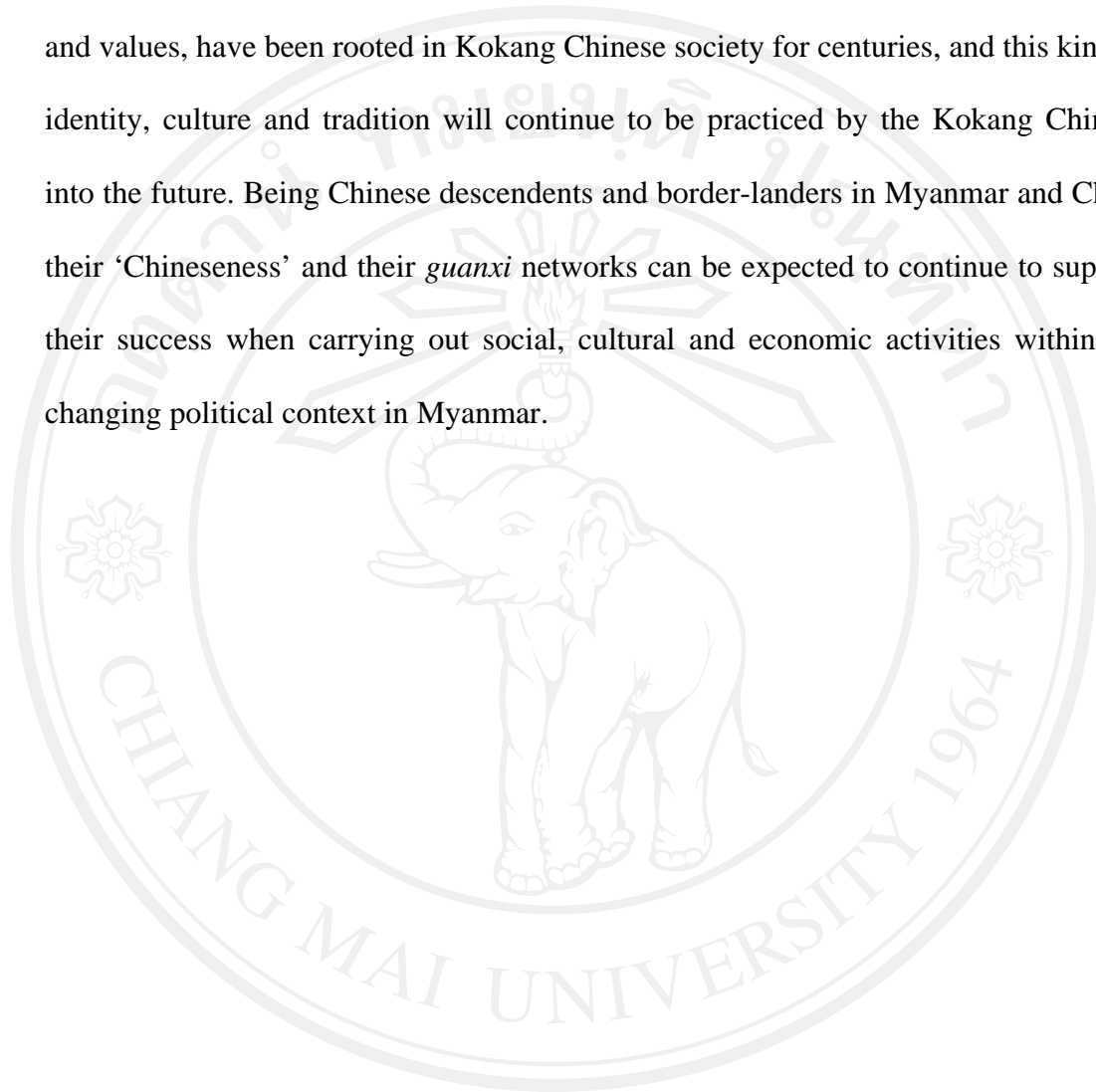
As a part of their Chinese identity, the *guanxi* social network system also plays a crucial role in the livelihood activities of the Kokang Chinese. They use their social network, or *guanxi*, to overcome any difficulties they face in their daily lives such as during their agricultural or cross-border business activities. Usually, the Kokang Chinese use their social network, based on their family relationships, to carry out transnational trade, alternative cash crop cultivation and other economic activities. Most of them believe that the more extensive one person's social network is the more successful in his or her social, economic and political life that person will be. Their social network is built on trust, friendship, family ties and the ethic of hard work. One significant activity in which the Kokang Chinese make use of their social network is the subversive economy, with activities such as drug trafficking, smuggling and money laundering.

Scholars have defined *guanxi* in several ways. It is translated as the "special relationships two persons have with each other" (Alston 1989). *Guanxi* is a power relationship - one's control over a valued good or access to it gives power over others

(Gold 1985). It is a special relationship between a person who needs something and a person who has the ability to give something (Osland 1990); nevertheless, *guanxi* for the Kokang Chinese can be defined simply as a social network or connection. It does not imply any power relations or gift economy, as some scholars have defined. As Chinese descendants, many of the Kokang Chinese still follow the thoughts of Confucius. They value family centeredness, communal loyalty, participatory endeavors, group orientation, collective enterprise and a hierarchical social order. As Tu Wei Ming argues, there is a correlation between Confucianism and entrepreneurial spirit.

The *guanxi* social network is important for the Kokang Chinese in their conduct of cross-border trading and throughout their daily life activities. Similar to Wen Chin Cheng's study of how the Yunnanese carried out the jade trade along the Myanmar and Thailand border by using their social network, or *guanxi*, many Kokang Chinese also use their social network or relationship with the Chinese from mainland China to conduct cross-border trade between the two countries. It can also be practiced during the daily life activities of the Kokang Chinese, those which help them deal with different people in society. Moreover they have also used their relationship with the local authorities and Myanmar government officials to set up businesses in government controlled areas, and used their *guanxi* network when migrating. This study has also found that the wider the social network a Kokang Chinese has, the more success he or she has in business, social and political activities. Nowadays, many Kokang Chinese are involved in alternative cash crop activities such as sugarcane, tea and rubber plantations, with the support of their *guanxi* networks with the local authorities or Chinese businessmen. Their *guanxi* with the local

authorities and government officials are not always based on family ties or friendship, but may be based on trust and norms among people. The practice of *guanxi*, its norms and values, have been rooted in Kokang Chinese society for centuries, and this kind of identity, culture and tradition will continue to be practiced by the Kokang Chinese into the future. Being Chinese descendants and border-landers in Myanmar and China, their ‘Chineseness’ and their *guanxi* networks can be expected to continue to support their success when carrying out social, cultural and economic activities within the changing political context in Myanmar.



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