

## CHAPTER 4

### In-between Zone: From Border to Broker

#### 4.1 Introduction

In the late 1980s, the commitment of the Thai state to engage in transnational trade was reflected in the term “changing battle fields into market places”, as used by the Prime Minister of Thailand at that time, Mr. Chatchai Choonhavan. Since then, this discourse has been formulated into a Thai national policy related to national economic development, based on the integration of international border areas. In its neighboring country, Burma, the government has also committed to open its borders to the global market, for national development purposes. One concrete reflection of this has been through the opening of the Myawaddy-Mae Sot international border area, to accommodate overland bilateral trade with Thailand (Lee Sang Kook 2007). The agreement reached here has facilitated an increase in the flow of exports and imports of commodities across the Myawaddy-Mae Sot border crossing, with a friendship bridge built in 1997 to further facilitate these flows. As part of its regional relationships within the GMS, the infrastructure and regional economy in and around Mae Sot have expanded rapidly, especially since the introduction of the East-West Economic Corridor (EWEC) and the granting of Special Economic Zone (SEZ) status to the area. As a consequence, Mae Sot has not only developed into a land-port for transnational trade, but also a center of industrial activities<sup>1</sup>.

State engagement in the global market, and industrialization in Mae Sot, have certainly impacted upon the economic sector and led to a soaring population, with people moving to Mae Sot to invest, work or just consume. Over the last two decades,

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<sup>1</sup> The growing industrialization of Mae Sot cannot be separated from the availability of human resources from Burma. The low wages paid to laborers are facilitated by the open-border policies that allow Burmese migrants to cross the border to Mae Sot. In addition to the number of people, Burmese migrants have become low wage laborers because they have no documents and may be unskilled.

Burmese Muslims have formed one of the biggest communities in Mae Sot, moving there for economic purposes. They now engage in many economic activities, such as laboring, trade and religious teaching, while some have even become businessmen. Most are involved in the trade sector on a large or small scale, and at both the local and international levels. On a small scale, Burmese Muslims sell commodities to meet local demand in Mae Sot; such as betel nuts, seasonings and spices, fish, meat and clothes, or they run businesses like restaurants. Although these trade activities are small in scale and the goods consumed by locals, the supply chain for such goods also represents a transnational flow<sup>2</sup>.

On a larger scale, Burmese Muslims are actively involved in a variety of secondhand commodity businesses, such as selling bicycles, cars and spare parts. These commodities are imported from Japan and then sold-on to meet demand in Burma. From such cases, we can see how Mae Sot has become a transit area. In this context, before these commodities arrive at the destination, they are delivered to Mae Sot. As well as due its strategic location at the border, this is also facilitated by the Thai state's designation of Mae Sot as a transit area. Another kind of transnational trade that has allowed the Burmese Muslims to become key actors in the town is the gems trade, which is situated along Prasatwithi road. There are small-, medium- and large-scale gem operations in this area, with most gems imported from Mogok in Burma. The progress of the gems trade in Mae Sot has allowed the Burmese Muslims to become brokers and middlemen.

In a previous chapter, I highlighted how state flexibility towards transnational trade flows in Mae Sot has contributed to the town's cosmopolitanism. In this chapter I will examine how Burmese Muslims have manipulated this state flexibility to accumulate economic capital. In this chapter I will focus on two economic activities of the Burmese Muslims: the secondhand commodities business and gems trading. In addition, I will also focus on the two sectors developed as a response to the migration policies set by either the Thai or Burmese governments, these being the money transfer

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<sup>2</sup> Fresh fish, various electronic goods and traditional clothes (such as *longyi*) are the commodities imported from Burma and then resold at the local market in Mae Sot. Some of these goods do not always pass through the official checkpoint.

and passport-visa agency sectors, which have also appeared within the Burmese Muslim community.

Other occupations will not be discussed in this chapter, but only those occupancies of Burmese Muslim as mentioned above. I do not aim to undervalue other jobs or occupations, but I focus on these jobs in order to support my argument that the connectivity and knowledge of Burmese Muslim migrants has led to Mae Sot becoming an active transit area. In this sense, Mae Sot is not only a transit point for commodities before moving on to their destination, but is also a place in which commodities are modified and reproduced, before being redistributed. Burmese Muslims who join-in with these economic activities assume that running these businesses involves dealing with two different authorities from two different countries: Thailand and Burma. Moreover, in this chapter would also like to show that the design of Mae Sot as a transit area has helped create new kinds of job for the migrants, particularly those who are creative, sensitive and responsive to their environment.

#### **4.2 Mapping Muslim Livelihoods**

The Muslim migrant community in Mae Sot is one of the most significant in terms of supporting the economic development of the town. As well as working as laborers, most work as traders at one of the three trading key centers in Mae Sot: Phajaroen market, Sripanit road, and Islam Bamroong road. At these locations one can easily see a diverse range of trades carried out by Muslim migrants, such as food, clothes, gems and restaurants, as well as bigger items like secondhand bicycles and timber. These traders can be easily noticed due to their Islamic clothing and the display of Islamic symbols at their work places. After having spent two months with the Muslim communities across these three locations, I realized there is an ethnic niche in their livelihood classifications, as reflected through the domination of certain Muslim groups in particular kinds of job, sector or profession. As an example, the Arakan and Bangladeshis Muslims are the only communities engaged in the second hand timber business; the Pakistanis and Indians are specialists in the textile trade; and the Burmese Muslims dominate gem trading and second hand commodities. However, it is still

possible to find some Burmese Muslims running textile businesses and Arakan-Bangladeshis running secondhand commodities businesses.

Thai Muslims (Mae Sot Muslims) form the community with the most diverse professions of all the Muslim communities in Mae Sot. As natives from Mae Sot, as well as Thai citizens, Thai Muslims have a better chance to take-up occupations beyond trading activities. This can be seen through their jobs, which include working for the government, in banks, as police officers and as professionals like doctors or teachers. Thai Muslims are also engaged in many trading activities, especially along Sripanit road and Islam Bamroong road. As well as being residential areas, both streets also host businesses such as restaurants, Muslim-clothing shops, and electronics stores. Those Thai Muslims of Yunnanese origin, are actively involved in the gems market as brokers, while other Thai Muslims run textiles shops along both streets and in Phajaroen market.

During my fieldwork, I lived at the house of a Thai Muslim in a lane off Islam Bamroong road. Along the small lane of 500 meters in length, I counted more than seven shops selling half-used timber on a large scale. According to Salam (40 years-old), the owner of a timber shop along Mae Ta-Mae Sot road, there are approximately 20 second hand timber shops in Mae Sot, and the owners of each shop know each other because they are all Muslims from Arakan, and some of them are even relatives. Before opening his business ten months before we spoke, he had worked in Malaysia for 20 years. He decided to open this business due to the success his brother had already had running such a business in Mae Sot. The timber he sells is taken from districts bordering Mae Sot, such as Mae Pa, Mae Kasa and Mae Ramat. It is bought from local people who wish to renovate their wooden houses; to turn them into modern residences. The houses are demolished and the wood taken away. The majority of workers who demolish the houses are from the same community, and are mostly Arakan Muslims, while those from another community are Bengali.

As well as the owners of second hand timber shops and their workers, there are thousands of Arakan Muslims working as low paid laborers who live across Mae Sot, though they are focused in the Bengala mosque area (Islam Bamroong road). I do not know exactly what jobs they all do, but I met some of them who were engaged at

Phajaroen market as porters. However, one interesting thing I found out from the Arakan Muslims is that they are very mobile. They told me that before coming to Mae Sot, they used to work in other parts of Thailand, such as Bangkok and the southern provinces. Some of them even said they had worked in Malaysia and Indonesia. I believed what they said, because every time we had a conversation, they always showed their ability to speak Malay fluently.

The low paid laboring jobs in Mae Sot are dominated by the Burmese Muslim, who work in factories, restaurants and shops at Phajaroen market, and along Sripanit road and Islam Bamroong road. They are also engaged in various other economic sectors in Mae Sot, and are one of the most diverse communities in terms of livelihoods among the Muslim groups. In Phajaroen market, the Burmese Muslim traders can be easily differentiated from the Thais or other ethnic groups by their language, clothing and behaviors. According to their trading styles, Burmese Muslim traders in this market can be categorized into three types, these being: 1) permanent, with permanent stalls, 2) permanent, with temporal stalls, and 3) temporary vendors. These three groups also tend to sell different commodities. For the permanent stallholders, they normally sell durable household goods or cooked food. In addition to these three types of trade activity, Burmese Muslims also run foods stall, either in Phajaroen market or among the other concentrations of Burmese Muslims.

As I mentioned before, the Burmese Muslim community specializes in gems trading and second hand commodities, mainly because such commodities come from and are aimed at customers in their country. In the case of the gems trade, some gems in Mae Sot are from Mogok in Burma, and as the gems come from their country, they can access information about them more easily than other groups. This knowledge is obtained based on contacts in the gems' places of origin, or with other gem traders in Mae Sot. The Burmese Muslims in Mae Sot are also known for trading in second hand commodities, such as bicycles and cars from Japan. Their involvement in this sector is related to their knowledge of the distribution networks involved and their ability to access connections in the source countries. There are two more occupations that only the Burmese Muslims are involved in: passport-visa agencies and money transfer

services. Even though these are minor sectors and only a few actors run these businesses, they play a crucial role in supporting the mobility of Burmese Muslims.

#### 4.2.1 Gem Traders

*Tala'at ploy*, or the gems market, is a market in Mae Sot that is never empty of customers, and is located not far from Phajaroen market, running for about 20 meters on either side of Prasatwithi road. *Tala'at ploy* has stores of varying sizes, and based on their width and ownership, these can be divided into three: individual shops, shared display window shops, and shared table shops. Individual shops are owned and run by a single person, and most of the owners of these shops are Thai-Chinese people from Mae Sot. Shops in the latter two categories cover a large space and are used communally by groups of traders. These shops have two criteria: the large lots belong to each trader as do the tools used. In the shared window display shops, a glass window display is used to show the items being sold, and traders wait for customers by sitting on a chair. Every merchant also provides two or three chairs in front of the window display for their customers. The shared table shops look simpler, and are smaller; merchants sit without cushions and show their products on non-permanent tables approximately half a meter squared. The customers then just sit on the floor while looking at the gems for sale.

According to Abdullah (40 years-old), who is a Thai Muslim and a gems broker, *tala'at ploy* has existed in Mae Sot for 26 years; however, the activities of the place seems to have got busier and expanded over the last ten years, as previously Mae Sai market was more popular than Mae Sot market. In the beginning, gems trading did not take place along the street like today, but was more private, as a floor of the Siam Hotel was used. At that time, only six to eight people were involved in the trade, and were all Thais who acted as brokers. The gems came from Burma and were brought by a group of Burmese to Mae Sot; however, the Burmese were not directly involved in the sales activities in the hotel; they visited the house of a Thai person they knew well and sold the gems there. At that time, they had no knowledge about the gems market in Thailand. As a result, the Thai brokers' role was significant, because turned the gems into a high value commodity. The gems at that time were not for use by people in Mae Sot, but were redistributed to meet the demands of those in Bangkok (particularly Jade); some

even went abroad having been shipped to Taiwan and Japan (particularly rubies and sapphires). In addition to having a good level of knowledge of the market and its networks, the Thai brokers were also able to cut the stones to make them more valuable, turning them into rings, bracelets and necklaces.

The stricter regulations introduced to the gems market in Mae Sai allowed Mae Sot to become more popular as a gems market in Thailand. The gems trading activities then took place, not at the Siam Hotel, but also spread to surrounding areas, as more people came to the town. As well as the number of customers, the number of traders and brokers actively involved at *tala'at ploy* has now reached 200 to 300 people, and they come from a variety of nations, such as Thailand, Burma and Nepal. With their percentage at over 50%, the Burmese are now the majority among the three nationalities. This kind of diversity is driven by the types of customer who visit Mae Sot, for the majority are now Thai and Nepalese from other parts of Thailand, such as from Chonburi, Chiang Mai and Bangkok. The popularity of Mae Sot gems has also attracted the attention of international consumers, such as Chinese, Indonesian and Nepalese. On the other hand, the increasing number of tourists in Mae Sot has also generated a greater variety of customers.

Apart from these tourists, international customers usually visit Mae Sot at specific times; once a month, every three months or six months. Most of them come by bus from Bangkok and will stay in Mae Sot for two or three days before returning. The time they stay depends on their transactions, which are usually large in scale. In addition, these customers are also careful at choosing the gems they buy, as they will later sell them on. Some of the costumers are familiar with the traders, so when they visit the market are surrounded by many brokers offering gems. These brokers often make the costumers confused, because they usually need several visits before deciding which gems to buy. Taufik (35 years-old), a customer from Indonesia who visits Mae Sot every three months, said:

Every time I came here, a large group of people surrounded me, offering me what they had. Before I could ascertain whether the gems they were offering were good or not, another group handed me gems. This made me confused, so I often decided not to buy, as there was too much choice.

Based on this experience, he decided to change his approach. Before coming to Mae Sot, he now calls a gems broker that he trusts, and asks him to rent a space not so far from the market. By renting his own space, he does not need to visit the market by himself; the broker will come to him. Every afternoon over two or three days, he just sits waiting for the broker to come and bring good gems. This method is more comfortable and also more secure than doing business at the market. Even so, not all customers do it the same way as Taufik; they still prefer to go to the market in order to see the latest gems on offer, before someone else buys them. The gems for sale today might not be the same ones as those for sale tomorrow, since the gems circulate between Burma and Mae Sot every day.



**Figure 4.1: Shared space among gem traders along Prasatwithi road**

Many kinds of gems, such as rubies, jade, sapphires and emeralds are available at *tala'at ploy*. Many kinds of gems come through Burma, but that does not mean that all of them are originally from Burma. Only rubies and blue sapphires are from Mogok in Burma, while others are from China, India and even Africa. Among these gems, rubies from Burma and Africa are the most sought after, as they are the highest quality. According to Rawatib (50 years old), though rubies are the favorite, each customer has his or her own particular interest when buying gems; depending on the market at home. For example, there is an Indonesian who only buys rubies and sapphires, a Chinese man buys jade, while a Nepalese buys all kinds of gems, as long as the prices are reasonable. Due to the variety of customers, gems leave Mae Sot for four key markets: Indonesia,



Singapore, Malaysia and Taiwan. However, it is common knowledge that the gems bought will be resold in other places at many times the price. However, the traders do not care where the gems will be resold and how much they will be sold for; as long as they are satisfied with the sales they make.



**Figure 4.2: Gem brokers crowd around a regular customer along Prasatwithi road**

At *tala'at ploy*, brokers or middleman are significant actors, as they help the shop owners sell their goods. Some people believe that today there are more brokers than merchants. In fact, there are some merchants who have become brokers for other merchants. As well as connecting the merchants and customers, or helping the merchants to sell their gems, brokers at *tala'at ploy* are also required to have a good knowledge of the gems on sale. Isa (24 years-old), a Burmese Muslim I spoke to, is a gems broker and he said he has to have a good relationship with the merchants, plus have a good knowledge of the gem cutting process. As a broker, he has two different ways of selling the gems: 1) he takes the customer to particular shops and lets them transact with the owner, or 2) he takes gems from the owner and sells them to the customer. He usually chooses the second method when dealing with gem owners he knows well already, as they recommend gems to him for onward sale. Isa will later clean and repair the gems if required, in order to make them look perfect before he sells them. For the use of his services, the owner will give Isa a 5% of the gem's price, plus he sometimes receives tips from the customers.

For some Burmese Muslims or other Muslim groups, the gems market is basically everywhere, and can be held at anytime. These sellers do not only offer gems for sale at *tala'at ploy*, but also when they are at food stalls, at a coffee shop or while they are at the mosque. I met some people who offered their gems to me several times at both Nurul Islam and Bengala mosque. Normally, before or after prayer, they show other Muslims the gems they have in their pockets or those on their fingers (as rings). At first they do not seem serious, but they will carry out a transaction if both people agree a deal. One evening after evening prayers at Nurul Islam mosque, and while talking with Muhammad (60), a Thai *Muezzin*<sup>3</sup>, he suddenly showed me two rings on his fingers. He said both were rubies and of a very good quality, as he showed me the pentagram reflection on the surface. He then asked if I was interested in buying them at a price of 7,000 Baht and 4,000 Baht each. I told him the price was still quite high for me, and asked whether he had other gems at a lower price. In a moment, he had taken two plastic wallets with seven gems in them from his pocket, the gems being of various prices.

There are also some Burmese Muslims who work as brokers only on as their side job, so they are not actively involved in trading at *tala'at ploy*. Sulaiman (40 years-old), a Burmese Muslim responsible for Nurul Islam Mosque has rubies in his wardrobe at Nurul Islam Mosque. During my ten day stay at the mosque, I put my luggage in his room and once he showed me the gems he had. The African rubies were 500 Baht each, so not as expensive as Muhammad's. As well as this experience, during my stay at the mosque I also witnessed people come to see Sulaiman, to see the gems. They were involved in a conversation while looking at the gems, and later transactions took place.

Based on these attributes, the Burmese Muslims can easily be noticed among the other Burmese nationals at *tala'at ploy* market. Some Burmese Muslims confessed to me that they prefer to participate in trading activities because it was the way of life of the Prophet Muhammad, as he traded his entire life. If so, I asked them why they chose to be gems traders, rather than other kinds of merchant? Some said it was due to their network, such as friends or relatives, or that gems trading had been the family business

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<sup>3</sup> Literally means a person calling the *Azan* – the Islamic call for prayer. In Mae Sot, *Muezzin* is not only responsible for the *Azan*, but also the cleanliness and security of the mosque environment.

so they just had to help at first then continue it. Some prefer to be gems traders in Mae Sot because it supports their religious activities. Gems trading is considered a suitable job for a Muslim because there are no strict time rules, meaning it does not interrupt their five-times-a-day prayers. Another consideration is the close proximity of *tala'at ploy* and Nurul Islam Mosque, as this helps them carry out their religious activities while working. While chatting on the mosque's veranda, Ahmad (37 years-old) mentioned that:

I trade because I want to do the same job as the Prophet Muhammad did during his life. Prophet Muhammad suggested that every Muslim should trade, so we can manage our time for the world and for Allah. By trading, I can flexibly manage my time. When it is time for prayers, I stop working for a while to do *shalat*<sup>4</sup> and return to work after that.

A Burmese Muslim named Karim (55), who has been trading for 20 years in Mae Sot, also mentioned that his job is suitable for every Muslim who has a five times-a-day prayer obligation. The activities carried out at *tala'at ploy* do not disturb their religious routines at all, since it begins at 10 a.m. and ends at 5 p.m., plus has a break from 1 p.m. to 2 p.m. This break is exactly the same time as *Dzuhur*-the afternoon prayers; therefore every Muslim can go to the mosque immediately. The peak market activity time is normally after 2 p.m. and until the market closes. After traders have finished their market activities, they immediately walk to the mosque to catch the *Ashar* prayers. In addition to its suitable time for religious activities, Karim also has his own reasons why he has stayed in his job for 20 years. He explained this to me during an interview:

My experience with the gems trade in Burma is the reason why I got involved in the gems market in Mae Sot 20 years ago. I like this business, because I can manage my own time, and importantly, the job is not that hard yet is profitable.

Today, there are approximately 50 Burmese Muslims of various ages, between 20 and 60 years-old, both men and women, who participate in the gems trade at *tala'at ploy*. Most of them are brokers, and some of them trade by renting a shop, where they gather with other traders and brokers of other ethnics and nationalities. Rawatib,

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<sup>4</sup> Salat / Shalat is an Islamic term that means praying. There are five compulsory daily praying in different time for Muslim, they are Shubuh, Dzuhur, Ashr', Maghrib, and Isha',

Karim's wife, who also works as a trader, told me the Burmese Muslims began to trade gems around two decades ago, and that the number of traders increased year on year at first, especially of brokers. She said that in the past ten years, the number of Burmese Muslim brokers has tended to stay the same, but that the people keep changing. When one Burmese Muslim trader or broker leaves Mae Sot, another comes to take his or her place.

Rawatib continued explaining the reasons why she joined the gems trade:

I joined the gems trade after I married Karim, about 20 years ago. I was unemployed before that; just stayed with my sister. Around eight years ago, I (and my husband) rented a place in a Thai Buddhist shop. Since then, I have worked as a shopkeeper and my husband waits for customers on the street. I love working like this, just sitting at the shop; and I can make money.

She did state that the increasing number of traders and brokers coming to Mae Sot has dented her income, but she believes that everyone competes fairly to attract customers. They have their own clients and let the clients choose whom they would like to interact with. The customers come routinely and they know well which traders can offer the good quality gems at a reasonable price. Apart from this, one of the reasons for the decreasing income is that sometimes the official checkpoint between Thailand and Burma is closed, leading to a decline in the level of activity at *tala'at ploy* due to police controls and observations. At such times, gems trading, including market activities in Mae Sot have to be paused for a while because the gems traded are from Burma. Even when market activities run normally, the police could might suddenly come and close the market down because some of the activities there are illegal. At such times, many brokers and traders prefer to close their own shops instead of going to the market, because they are wary of sudden police inspections and further trouble.

Rawatib has to save 120 baht every day to pay the rent for her trading unit, and also has to pay another 100 Baht as a security fee to the police, for 'market management'. Those who have no stall or place to trade, or the brokers, are still required to pay 50 Baht. When a person is caught not paying the fee, the police will catch and arrest him or her, then to be released from the jail, they have to pay a fine of 2,000 Baht. Rawatib added that though police seldom visit *tala'at ploy*, they receive up-

to-date information of the list of people trading gems at the market. These incidents, of people from *tala'at ploy* being fined and put in jail has made people afraid of breaking the rules, so they tend to pay the fees. She added that a trader will be safe and can avoid trouble with police if he or she pays on time. Whether a trader has a work permit or not does not matter; they will still get in trouble if they do not pay<sup>5</sup>.

Rawatib rents a shop for selling gems together with another four traders, one of who is a Muslim like her. Moreover, there are another 100 women who have joined the gems trade at *tala'at ploy*, most of who are Burmese non-Muslims and are married. When I met some of the Burmese Muslim women, they confessed that they work there to help their husbands, who are actively involved in the gems trade. Rawatib and some of her colleagues guard their shops while the husbands go back and forth around *tala'at ploy* in search of customers. As for Rawatib, though she works at the market, she still has enough free time. Market activities start at 10 a.m., so she still has time in the morning to do her domestic chores like cooking breakfast, cleaning the house, and getting the children ready for school. Guarding the shops is also a flexible task, because the women can leave them and ask their husbands to take care of them any time they have to leave. At 5 p.m. the market closes, so they can be home before dark and can get back to do their housework.

As I mentioned previously, only some Burmese Muslims are in the gems trade, since the business requires sufficient financial capital, a good knowledge of gems and a well-maintained social network, both in Burma and in Mae Sot. Most Burmese Muslim traders who rent a stall are migrants who have lived in Mae Sot over 10 years. They joined the gems trade because they had experience and were familiar with the gems business from their time in Burma. Their experience and knowledge have grown since migrating to Mae Sot, through their interactions with gem traders from Thailand, or their customers. In contrast, the Burmese Muslims who have just arrived in Mae Sot usually work as brokers rather than run their own business. Their knowledge on gems is often still limited because they have little experience in this kind of activity. Their

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<sup>5</sup> When Burmese Muslims get into trouble with the police, they call a Muslim policeman they know well. They believe that every problem can be resolved easily if they call him.

decision to join the gems market is usually a result of their family or social circle, such as continuing the family business, or being inspired by relatives, neighbors and friends.

Financial ownership is not that significant for brokers, since their role is related to the marketing sector. From this matter, a broker will be required to easily socialize with both traders and customers in order to develop broader economic networks. In Mae Sot, the successful brokers are those who have good language skills, especially those can speak Thai and English, as the majority of customers are Thai or non-Burmese speaking. For some brokers, their activities at the gems market are both economic and an important way for them to accumulate knowledge about gems. Their social interactions at the market with other brokers or traders, with customers or even with experts, helps to improve their knowledge. Here we can see that the circulated knowledge among brokers is not learned in school, but is practically produced.

#### **4.2.2 Secondhand commodities**

In addition to gems, the Burmese Muslims also join-in with other transnational economic activities, selling second hand goods like bicycles, cars and spare parts. I could not find out exactly when these three business sectors came to Mae Sot, due to a lack of information. However, some people said these businesses were established after the 1980s, when the Burmese government introduced regulations to open-up the border to export and import activities. Importing used cars is considered an option, as it supports the growth in private car ownership in Burma, which has no domestic production activities. Most imported cars go through Rangoon, but some go across the Mae Sot-Myawaddy border crossing. When they import the cars through Mae Sot, they do not use the Thai-Burma official checkpoint to deliver the cars to Burma, but instead take them through an unauthorized checkpoint, the so-called 'boat pier no. 9', which is operated by a private owner under the watch of the Thai government. When in Burma, the unauthorized checkpoint is managed by the ethnic army (DKBA), because it is located in Karen state territory. Even though both piers are managed by non-government agencies, many cross-border activities are still influenced by the government policies of both countries.

The central trading point for both bicycles and cars is located at pier no. 9, while the car spare parts trade is located along Islam Bamroong road. Pier no. 9 is one of the fourteen points where commodities can cross the border between Burma and Thailand (Lee Sang Kook 2007). Some of these crossing points were developed in response to the Thai state's wish to have Mae Sot as a transit area. Pier no. 9 is located around seven kilometers from the town, and is used for heavy and durable commodities like bicycles and cars. The current state policy identifies Mae Sot as a transit area<sup>6</sup>, and this has led to the pier serving a double functions; as a crossing point and a parking lot, before those commodities are taken to Burma. The manager of the pier makes money from leasing the parking lots for cars, and there are temporary buildings set up also to store the secondhand bicycles. In addition, the operators receive additional revenue from the transportation service, though the river it crosses is only ten meters wide.

If one visits this border crossing, one can see many types of car parked in rows. Some of these cars are new and in a good condition, while others are older. A few meters away from these cars there are about eight semi-permanent buildings used to sell secondhand bicycles from Japan. Hundreds of bicycles are displayed in every shop, while thousands of others are in the back waiting to be selected. After reaching the Burma side, the DKBA becomes the patron for the Burmese businessmen, delivering the goods to Rangoon, or as far as Karen state<sup>7</sup>. The used car import activities that take place through pier no. 9 can stop suddenly if the Thai government changes the open border regulations on its side, or vice-versa from the Burmese government. This is what happened in 2012 when I was visiting pier no. 9; one of the administrators I spoke to said there were many used cars parked at the pier because the Thai government had closed the border unilaterally. The cars could only be delivered if the Thai state resumed cooperation with the Burmese.

The main actor in the secondhand car and bicycle export-import business is Burmese nationals, and especially the Burmese Muslims. Some of them live in Mae Sot, but others are based in Burma, and in Myawaddy in particular. All the cars and bicycles are imported from Japan through Chonburi port, and from there are delivered by

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<sup>6</sup> This regulation authorizes the Thai government to issue the tax, since this commodity is only transitted, so is not used for Thailand's interests.

<sup>7</sup> See Lee Sang Kook 2007.

container truck to Mae Sot, to pier no. 9 and then across the border to Myawaddy. The cars and bicycles are imported in two different ways. First, they are imported by a Burmese national who lives in Japan<sup>8</sup>, or a Thai agency in Bangkok will import them. As for the Burmese Muslims, they prefer to take the first option because they already have a network and wish to avoid contractual costs. According to Hasyim (53 years-old), a Burmese Muslim who was in the used car business, he always placed large orders as the minimum order was quite a lot. To get the appropriate items, he attached pictures and specifications, and after everything had been prepared, placed an order by contacting the Burmese Muslim in Japan or his network there, by phone or using the internet.

A well-known Burmese Muslim friend of mine called Moulwie<sup>9</sup> Hasan (55 years-old) told me how he generates creativity while running his business in Mae Sot. He came to Mae Sot 15 years ago to trade at Phajaroen market and sold various electronic items made in China that he bought from Rangoon. Seven years ago he joined the secondhand car and bicycle business, because he was invited to do so by a Burmese Muslim friend who had joined earlier<sup>10</sup>. Currently he rents a garage at the pier that accommodates thousands of bicycles and 40 used cars. To rent a garage for his bicycle shop, he has to pay a 20,000 Baht rental fee to the administrators. He likes to sell the bicycles on a large scale, and most of his customers are Burmese with bicycle shops in Myawaddy, Mawlamyine or Rangoon. He said that he is satisfied enough with the secondhand bicycle business, but not with the car business.

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<sup>8</sup> Refugees who were given a UN card as part of a resettlement program to Japan.

<sup>9</sup> Some graduate students from Moulwie school in Burma are often called 'Moulwie' or 'Alim'. This school is the highest grade school in terms of reading and writing the Koran in Burma, after the Hafiz school.

<sup>10</sup> He mentioned there are dozens of Burmese Muslims who run secondhand bicycle and car businesses in the pier. Most of them live in Myawaddy and cross the river every day to open their shops. Due to the many Burmese Muslims renting shops at the pier, the manager has provided a praying room, though he is not a Muslim himself.





**Figure 4.3: One secondhand bicycle garage at pier no. 9**

Over the last three years he has become quite frustrated with his car business. According to Moulwie, there are two main factors for this: firstly, the border being closed by either Burmese or Thai governments, and secondly, the introduction of new regulations that require a vehicle permit letter or document to be issued by the Burmese government. He said he does not care too much about the first issue, because the border closures tend to be temporary. And with the second issue, he said he is not so upset or disappointed, as it is now a permanent regulation. This new regulation applies only to cars that were made after 2000, and it applies particularly in the Rangoon area. He said this does not harm his used car business too much, as most of the cars he trades were produced before the year 2000. As a result, he only keeps those cars made before the new regulations were announced at pier no.9. These cars cannot be sold in Burma, neither in Thailand. He got quite angry when speaking about this new regulation, saying "working with the Burmese government is just like dating an indecisive girl; today she will say one thing and tomorrow, say something completely different."

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**Figure 4.4: A car spare parts business in town**

To avoid losses while paying the parking fees and earning no income, he said he had begun to break-apart his used cars. By breaking down the used cars into spare parts like rearview mirrors, windows and engines, he can sell them in Burma. However, he admitted that most of his customers come and choose the cars or parts themselves and take them back to Burma. The idea of breaking down the cars into spare parts has also been adopted by some other Burmese Muslims who are frustrated with this regulation. Hasyim (53 years-old) told me that he had had to stop his used car business because of the unstable regulatory environment on both the Thai and Burma side. Later, he opened a spare parts business, opening a store with his relative not too far from his house. The spare parts come from his used car collection and also from some he buys in Bangkok. His main customers are Burmese nationals from Burma who visit Mae Sot on a daily basis.

Unlike the used car business, which is influenced by the changing border regulations, the secondhand bicycle business can run quite well while the border is closed, as traders can still send their bicycles over the border. This activity will be illegal and small in scale, as there are also secondhand bicycle shops in Mae Sot, mainly along Sripanit and Islam Bamroong roads. The changing border regulations have also had an impact on the bicycle business; however. Transit area regulations, which mean there are no taxes on commodities going to Burma, are used to give an advantage to secondhand bicycle traders in town. By ordering on behalf of a Burmese customer, secondhand bicycles attract no tax, and then are delivered through pier no. 9. After the order is delivered to this pier, the bikes will not cross to Myawaddy, but will be taken

back to town and sold there instead. To deliver the bicycle to town the traders still have to pay a “*local tax*”, but at a much lower rate than when ordering within Thailand.



**Figure 4.5: A secondhand bicycle business in town**

Like the used car business, secondhand bicycles are also brought from Japan by Burmese Muslims who lives there. They place an order, often of a large quantity, enough to fill one container. The cost of the bicycles varies dependent on the brand, specification and its condition. Husin (27 years-old), a Thai-Bangladeshi Muslim descendant, told me that every time he orders a secondhand bicycle, he has to choose between four different grades: A, B, C or D. Grade A is the most expensive, but of a very good quality and there is no need for repairs to be carried out before selling on. For each order he combine grade A with some grade B, C and D bicycles to save money. The grade B and C bicycles can be sold on because they are still of a good quality, whereas grade D bicycles are taken apart and their spare parts used to fix other bicycles.

He admitted that only some of the bicycles he orders are taken into town, those in a good condition, while the others are delivered to Burma. The secondhand bicycles in town will be fixed before being sold on. For the repairs, Husin has two workers who work every day from 8 a.m. to 5 p.m. It is interesting, because neither of them are Muslim but they are from the Karen ethnic group, so Husin has to communicate with them in Burmese because they cannot speak Thai. Every day, they come to fix the bicycles while Husin takes care of the customers. However, they sometimes help Husin

when Burmese customers come to his shop. Husin employs these two men because they are diligent and skilled at repairing bicycles. Hasan also hires four Karen Buddhist workers to repair bicycles in his shop at pier no. 9; he prefers to hire them, not only due to their skill and diligence, but also because their wages are low.

Husin's secondhand bicycle shop is located in a lane off Islam Bamroong road. In his shop, the price of secondhand bicycle varies from 1,500 Baht to 5,000 Baht, depending on the brand, specification and condition. He only displays around 50 types of bicycles that are ready to use. When customers are not interested in the bikes on display, he takes them up to the second floor to see other types, where he keeps more than 100 bicycles that are ready to use. After a customer has agreed to buy one of the bikes on the second floor, he will take them back downstairs to inspect the bike, and then let the customer ride it. As well as the ready-to-use bicycles, Husin also keep thousands of broken bicycles behind his shop. These bicycles are waiting to be repaired and then resold. Unlike the bicycles at pier no. 9 that will be sold in Burma, Husin's bikes are sold to local people in Mae Sot or from other areas of Thailand like Tak, Chiang Mai, Bangkok and Phuket. For those customers from other areas, they usually buy the bikes on a large scale (more than ten) and will resell them or rent them to tourists.

Most Burmese Muslims who run secondhand commodities businesses in town, especially cars, vehicle spare parts and bicycles, are migrants who migrated in the early 1990s. Generally, they hold a full set of immigration documents and have a stable economic background, and can also speak Thai. Those who join this business are required to have sufficient financial capital, and also to have a broad social network both in Burma as the destination, in Thailand as the transit area, and in Japan as the supplier. In addition to spending money on renting the shop, they also need to process business permits as well as pay tax regularly to the local authorities, to avoid any possible legal problems. For the spare parts businesses, they also need to maintain a network in Bangkok, because most of their traded commodities are purchased there. Every month they head to Bangkok to buy wholesale, so they have to hold personal documents like passports or another form of travel identity.

### 4.2.3 Visa Brokers and Money Transfer Services

The above discussion regarding the gems market, used cars and secondhand bicycle business has given factual weight to the argument of Lee Sang Kok (2007), that Mae Sot is a transit area which handles commodities before they are delivered to their final destination. According to Lee Sang Kook (2007), Mae Sot is not only a transit area for a variety of material capital, but also human capital. He shows this through the case of Burmese migrants who use Mae Sot as a first step before heading to other places. Mae Sot is a kind of ‘kindergarten’ for them, a place to cultivate cultural and financial capital before they finally move to other, bigger cities like Chiang Mai or Bangkok. Some of them visit Mae Sot to get a UN card, as this enables them to travel to and live in other countries. On this matter, UNHCR is authorized to issue such cards, and so is the agent which decides how their journey will progress. Even so, there are many illegal ways to obtain a UN card, such as using fake data or buying someone else’s card. The roles of agencies are quite significant for Burmese Muslims without legal identity, or those who just want to go to other big cities in Thailand. These agencies are similar to the passport and visa agency in Mae Sot that helps migrants get a travel permit (just like a passport or visa) to get out of Mae Sot and head to other cities in Thailand.

The business of making Burmese passports started in Mae Sot around 2010, at the same time as the introduction of the temporary passport<sup>11</sup> by Thai and Burmese governments. One such agency is officially based in Mae Sot but also works on the Burma side. Every time a request for a passport comes in, agency’ staff cross the border to the Burmese immigration office in Myawaddy. Agencies can only promise customers to process their request for a passport; they cannot guarantee whether the application will be successful. Nowadays, some Burmese Muslims in Mae Sot run passport-visa agencies for Burmese nationals. Gyi (37 years old); for example, is a Burmese Muslim from the north of Rangoon who opened a passport-visa agency in Phajaroen market a year ago. He has named it K.T.G, his initials. He stated that to run a passport agency, one is required to have knowledge of the law and to be up to date on the changing regulations introduced either by the Thai or Burmese governments.

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<sup>11</sup> A Burmese temporary passport is purple, meaning it is different from a normal passport which is red. This passport only functions for travel around Thailand.

The main duty of these agencies is to collect the required documents from the applicants, such as a Burmese ID card and photo, plus they sometimes help the applicants fill-out the application form, because not all applicants understand how to do it. After processing all the documents, an agent will cross the border to Myawaddy and submit the application at the Burmese immigration office. When processing the passport, Gyi said that he has to follow the latest information in terms of regulations provided by the immigration office, since sudden changes can occur. For example, sometimes the immigration office is closed for an unlimited time and with no reason given. This happened when I met Gyi at a teashop located just right next to his office. Gyi told me that the Burmese immigration office in Myawaddy was closed and could not process passport applications. Gyi added that this was probably due to the mosque burnings and riots in Myatikina, and that the government had deliberately closed the office in an attempt to limit the mobility of Muslims.

In addition to passport applications, K.T.G also offers a Thai visa and work permit service. These documents are processed at the Thai immigration office in Mae Sot, and every migrant who comes to K.T.G to complete a passport application will also ask for a visa or work permit. Both permits are required when a person intends to work legally, or wants to travel to another part of Thailand. Processing the Thai visa and work permit applications depends on a network of agencies in Thailand, as Gyi explained:

To succeed with the visa and work permit application process, we need a Thai person or company to be a guarantor; or just state that the applicant is working for them. I currently have a list of people who will be guarantors every time I need a visa. However, the letters we provide are actually fake, because the applicants do not work for them. However, it costs around 1,000 to 1,500 baht to obtain the signature of a guarantor.

As Gyi explained above, we can see that both “half licit and half illicit” activities take place as part of the visa or work permit application process in Mae Sot. I prefer to put “half” in front of both words because there is an overlap between what is licit and illicit during the process. Officially, the process should be entirely legal, as each applicant has to complete all the required documents. The visa itself is a legal instrument, because an authorized institution – the Thai immigration office in Mae Sot, issues it. However, illegal or illicit activities occur early on in the process when completing the visa and

work permit documents. In particular, the unemployed migrants and those who have no “boss” in Mae Sot find it difficult to get a guarantor letter, though this is a fundamental requirement of both the visa and work permit process. The role of agency then is to help the applicant find and obtain a letter from a guarantor using their network in Thailand. A guarantor letter can be arranged legally, because it contains personal data and a statement by the guarantor, and this is a genuine or licit signature. However, the statement they make that the applicant works for them is definitely faked.



**Figure 4.6: A passport-visa agency office in town**

At the K.T.G passport agency, the cost of obtaining a passport, visa and work permit together is expensive, at about 10,000 Baht, of which 5,000 Baht is used for processing the passport application in Myawadhi, and another 5,000 Baht for the visa and work permit in Thailand. From this money, Gyi pays the application fees and other costs to Burmese immigration officials and spends 1,000 to 1,500 Baht for each guarantor in Thailand. In the year up to our interviews, approximately 10,000 people had used his services, either for a passport, visa or work permit application. He has a variety of customers, including Burmese Muslims, Burman Buddhists and Karen. The opportunity to obtain a passport and visa has triggered an increased flow of Burmese migrants to Thailand and some migrants (both new and old) have left for Chiang Mai or Bangkok after obtaining a passport and visa. While running this business, Gyi has never been in trouble with the police, because his office has got a legal permit. However, he has had to develop special relations with the local police, to assist with extra security,

since his job is considered risky, being as it is related to migrant documentation and migrant activities.

As explained above, I conclude that to run a passport-visa agency business requires a Burmese Muslim to maintain networks with other actors, both in Burma and in Thailand. They also have to master the Thai language, since the job involves having documents issued by the Thai state's administrative system. The entrepreneurial skills of the passport-visa agency owners, is reflected in their ability to see business loopholes for the many undocumented Burmese migrants to use to work in Thai cities. The agencies realize that most migrants lack information and knowledge on how to process passports and visas, due to their inability to read or speak Thai. In the case of Gyi, his knowledge of the passport and visa issuing process has been accumulated during his time Mae Sot and Chiang Mai, over 17 years. In addition, he decided to run a passport-visa business based on a suggestion from a friend, who had earlier run such a business in Bangkok.

Some migrants who have successfully got a passport and visa will usually travel to the big cities in Thailand, such as Chiang Mai and Bangkok, in search of work. Most of them then send a proportion of their salaries to their families in Burma. The limited access to bank services and their lack of knowledge of the financial process has also turned Mae Sot into a transit area for money being sent to Burma. Some of this, of course, is related to the current profession of some Burmese Muslims in Mae Sot, who work as money transfer agents. Yuk (35), a Burmese Muslim woman who owns a grocery shop at Phajaroen market, also offers a money transfer service. She began this service because many of her customers complained about the inability of their relatives in Bangkok to send money, as they had no bank account. As a result, she opened a bank account at Bangkok Bank and told her customers that she could receive money from, and send money to, people in Burma. In addition to offering a money transfer service from Thailand to Burma, she is also able to receive money transfers from migrants in other countries. In such cases, she does not use an ATM to transfer the money but "*money gram*".



The people who run these money transfer businesses can easily be found near the gems market, queuing up in front of the ATM machine outside a Thai bank. They normally stand in line in front of the ATM machine while looking at a small notebook, which shows they are still working. If there is an additional amount mentioned in the notebook, they will cash the money then leave the ATM machine. According to Gyi, who is also a money transfer provider, the job is very simple, yet it needs a partner (courier) who works in Burma to deliver the money to the destination. Migrants who want to send money usually call him in advance, to tell him that they have sent some money and for it to be delivered to the receiver. After that, he visits an ATM to check whether the money has already been sent to him or not. If the money is ready, he will cash it and exchange it into Kyat, then immediately cross to Myawaddy. There, he gives the money to his courier, who has been waiting to take the money to its destination<sup>12</sup>. This process is different to Yuk's, who has no courier in Myawaddy, because the receiver usually takes the money in person to Yuk or asks someone else to meet her in Mae Sot.



**Figure 4.7: Posters and leaflets promoting visa agencies and money transfer businesses**

Trust is a fundamental principle in such money transfers, because the business works in the ‘cyber world’. Cases have shown that, more often than not, the money transfer agents and their clients do not know each other, with the deal agreed over the phone. Information regarding such money transfer services is spread among the

<sup>12</sup> As long as the destination address is in Myawaddy. If the destination is beyond there, the receiver will need to come and get the money in person.

migrants by word of mouth after they arrive in Mae Sot, or when they start a new job. At the same time, the money transfer agents know how important the network is to people's businesses. The two I spoke to have different ways of enticing the migrants to use their services. For Gyi, he promotes his money transfer and passport services in a brochure he distributes around Mae Sot. He also informs his passport business customers of his second business, and he hopes they will wish to use his service someday when they find work in Bangkok or another location and need to send money to their families. In contrast to Gyi, Yuk and her husband created their network through their religious activities in Mae Sot. Moreover, Yuk also works with some money agencies living in the areas where the migrants (potential customers) work, such as in Bangkok and Chiang Mai.

Both Yuk and Gyi admitted that their clients are not only from the Burmese Muslim community, but also from other Burmese communities. Their service has a good reputation, much better than the other money transfer services available. In this business, they do not take a big profit, because their clients are all friends in need of help. However, both of them do make a profit from the difference between the currency exchange rates they use and the one used at the bank. As for Gyi, he also takes some profit by charging as much as 30 Baht for each transaction of 1,000 Baht. Gyi added that the profits from this business are not so big, but because a lot of clients use his service, up to ten every day, he can make quite enough.

### **4.3 Summary**

Because a borderland represents a line delineating state sovereignty, so one cannot interfere with the government authorities who control it. This is in contrast to current global economic pressures, in which borderland authorities are designated based on inter-state collaborations and within regional cooperation frameworks. As a consequence, people living around international borders have to be very aware of the relevant state authorities' dynamics and processes. Here, I agree with Mikesell and Murphy (1991), who say that the attitudes of people around borderlands reflect a response toward state actions (cited from Kaplan 1999). In the case of Mae Sot, the authority of the Thai state has led to its being created as a "transit area" (for

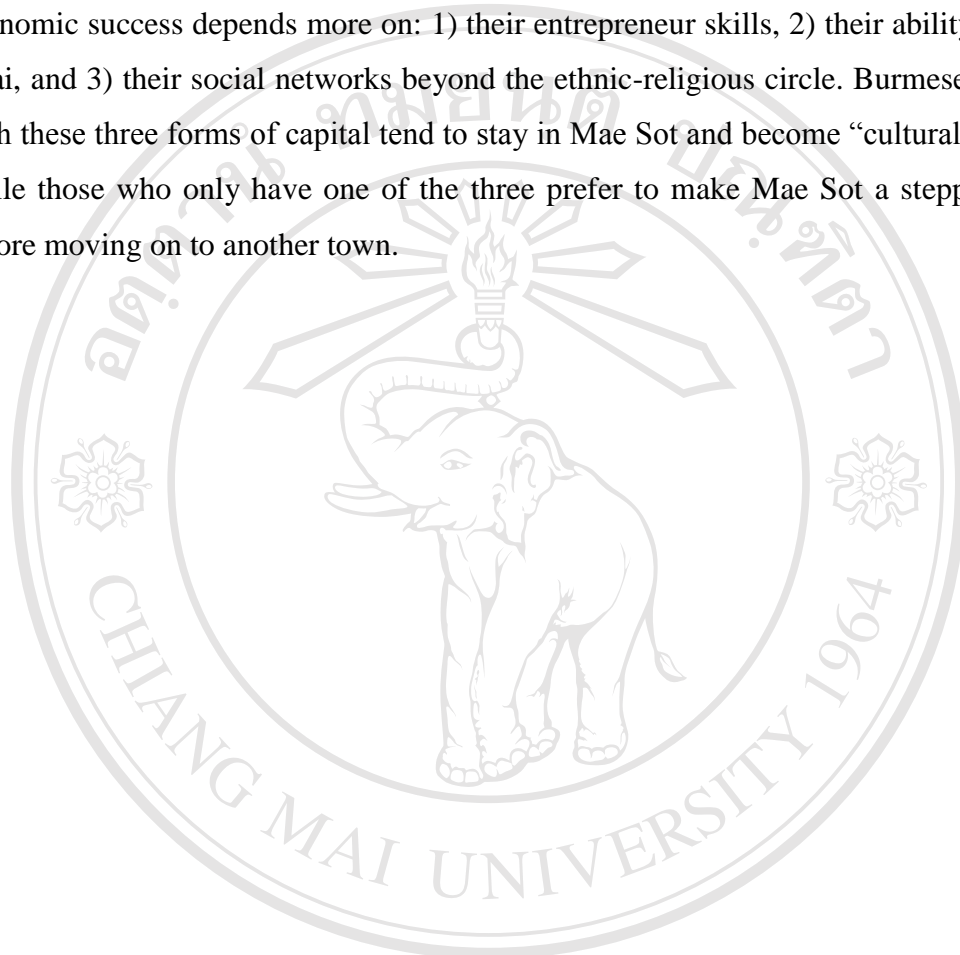
commodities being moved to Burma), leading to a variety of responses from the actors who live there. At the grassroots level, this framework has triggered new livelihoods, those which reflect Mae Sot's position as a "transit area", such as secondhand goods businesses, gems brokerages, and passport and money transfer agencies. These livelihoods also contribute to Mae Sot's role as an active transit area, in which commodities are not only stored, but are also modified and reproduced before being redistributed.

Apart from the above circumstances, in this chapter I have been able to reveal class differences among the Burmese Muslims in Mae Sot. There are at least three significant factors that have led to these differences: 1) the different migration periods of the migrants, 2) the levels of cultural and capital ownership, and 3) the migrants' social networks. Burmese Muslims who migrated to Mae Sot in the early 1990s have a better knowledge of the socio-economic conditions around the borderland, when compared to recent migrants. As they have lived longer in Mae Sot, some of them have also been able to master Thai, giving them added cultural capital. Having both these forms of cultural capital not only facilitates socialization between Burmese Muslims and Thais, but also give them better economic opportunities. For example, those Burmese Muslims engaged on businesses have been able to enjoy their life in Mae Sot, due to financial stability, so they have decided to stay rather than move on to other cities.

Though a few people run successful businesses, it cannot be denied that most Burmese Muslims are still excluded from a decent life in Mae Sot. These people are usually the recent migrants, either from Burma or those who have escaped from refugee camps along the Thai-Burma border. The unstable financial conditions they face, as well as their limited socio-cultural capital, have led to them becoming low paid laborers in town. These people are seen as unskilled migrants, since their background is mostly working as laborers in factories or as porters at the market and for grocers belonging to Muslims. To survive their time in Mae Sot, they have to struggle quite hard to secure their economic status and avoid the authorities. In town, they usually live with their relatives or rent a room in a poor Muslim migrant settlement around Bengala Mosque. In some cases, there are also Burmese Muslims who are unable to speak Thai, but have

achieved success in Mae Sot because they have entrepreneurial skills and financial capital, such as the owner of a Burmese restaurant in the *Chumchon* Islam area.

To sum up, in this chapter I have argued that personal socio-cultural capital is the most significant factor in the economic lives of Burmese Muslims in Mae Sot. Although being Muslim connects Burmese Muslims with a broader social network, their economic success depends more on: 1) their entrepreneur skills, 2) their ability to speak Thai, and 3) their social networks beyond the ethnic-religious circle. Burmese Muslims with these three forms of capital tend to stay in Mae Sot and become “cultural brokers”, while those who only have one of the three prefer to make Mae Sot a stepping stone before moving on to another town.



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