

CHAPTER II

REVIEW OF THEORIES AND RESEARCH DESIGN

This chapter is dedicated to examining some key concepts and the relevant studies related to cross-border economic practices, those based on ethnic relations and social networking, and in particular the adaptations of and negotiations taking place between people in China and Laos in a transnational era. In order to facilitate an understanding of this study, I will use concepts drawn from three abstract levels. The first concept is ‘cross-border economic practices’, which deals with the nested social relations that exist in a nation state and how borders and boundaries are approached by local people. The second concept is ‘ethnic relations’, which deals with how ethnic relationships operate in the watermelon business – across and beyond borders. The third is ‘social networking’, which will situate the discussion regarding operation of the watermelon business, and as a minor concept, the ‘production of power relations’ will also be discussed. Furthermore, this section explains the research site of this study, research methodology and structure of this thesis at the end.

2.1 Cross - Border Economic Practices as Negotiations for Subsistence

“Globalization of culture, the internationalization of economics and politics, and the decline in Cold War super power and satellite hostilities have apparently resulted in the opening up of borders and the relaxation of those state controls which limited the movement of people, goods, capital and ideas.” (Donnan and Wilson 1999:3)

In pre-colonial days, borders and boundaries in the modern nation state represented “the periphery”, as compared to “the center”. Some scholars deal with borders and boundaries using the center-periphery model, which is related to the

concept of hierarchical, asymmetric and often exploitative relations between centers and peripheries (Andrew 1999). According to Tongchai (2003), in 1800, borders were situated in mountainous area or jungles regarded as “the periphery” of state authority, and borders were not determined clearly; local people were carrying out elephant hunting and collecting honey for their livelihoods, while the central government neglected these zones, and as a result, local people determined the border line. The borderlands were zones which had two meanings associated with them - flexibility and nonchalance, and they existed outside the historical trajectories of the region’s main powers, being characterized by “rebelliousness, lawlessness or an absence of laws” (Kristof 1959:281 cited in Walker 1999). However, the analytical center-periphery motif has changed to one of “penetration” during the modern era (Andrew 1999).

Boundary and border zones, where there used to be only a periphery - as opposed to the central authority, have recently commanded much more attention as areas of cross-border economic activities, particularly under the period and concept of globalization. Therefore, marginalized local peoples who live in “the periphery” have more recently been presented with a number of opportunities. In her work *Cross-Border Mobility and Social Networks: Akha Caravan Traders*, Toyota (2000) tries to explain how the Akha interact with other ethnic groups through their trade and commercial activities using networks, social relations and inter-marriage, and how they have constructed their identity as a result. This and other ethnic minority groups have participated in cross-border trading activities for centuries, and during her field research, she found that some Akha entrepreneurs previously developed new opportunities as part of the trading routes that existed between Sipsong Panna and northern Thailand. Over time; therefore, these ethnic groups established cross-border trade networks that have since gone beyond the rigid political boundaries set by the nation states.

Although border and boundary areas used to be isolated, with the peoples there marginalized, borders now bring opportunity and provide a bridging point to other spaces. Borders act as both bridges and barriers between spaces, and crossing

them can be both enabling and disabling; can create opportunities or close them off (Donnan and Wilson 1999). According to Donnan and Wilson (1999), who discuss borders in the context of political anthropology, international borders are becoming so “porous” that they no longer fulfill their historical role as barriers to the movement of goods, ideas and people, and as markers to the extent and power of the state. The border is thus a flexible and porous zone.

The boundaries and borders of nation states have always been partly shaped by the dynamics of global economic integration, and have played a significant role in the economic development of regions and countries. Furthermore, their existence has always influenced the livelihoods of people who live near them. Xie (2000) refers to the case of Chinese women who attained greater power after the opening of the border with Vietnam, through the development of cross-border trade. With the beginning of cross-border trade in 1989, and following the development of Dongxing which shares a border with Vietnam, in Guangxi Province, China, traders from all over China, as well as from Hong Kong and Macau have appeared, as have many kinds of companies, hotels and restaurants. As a result, there has also been a significant increase in the immigrant population; the number of tourists visiting the area has grown and diverse service trades have emerged. These changes have created many employment opportunities for women at all levels in Dongxing, particularly in the restaurant and hotel. A number of women have also become directly involved in border trade itself – the ‘front liners’ so to speak – and they earn the highest incomes. The opening-up and development of cross-border trade has changed the position of women within the Dongxing economy, as the economic changes brought about the rise of cross-border trade have provided them with the opportunity to leave the confines of the house and become involved in market competition. Women (wives) are often the main figures in the family, and usually they are the ones who run any businesses, and more recently they have come to realize and recognize their own value. Other family members cannot deny the valuable role that women play, simply because they often earn more than their husbands. However, the opening of the border has also given rise to social problems. As improvements have occurred in their material lives, many Dongxing people, and particularly the young, have come to seek stimulation and pleasure

through activities such as gambling, drug-taking and trafficking, and sex. Prostitution on a large scale has only appeared in Dongxing since the opening up the region in 1989, with the bustling economy and numerous traveling traders and businessmen attracting prostitutes to the town. Many women now come to Dongxing looking for work, and some end up as prostitutes at the restaurants, guest-houses and hotels.

A number of cross-border issues/activities have appeared over recent years with the opening-up of the border, such as migration, the appearance of refugees and migrant labor, tourism, shopping and trade, and people crossing the border have become a part of the new value system that exists. Migrant workers, tourists, cross-border entrepreneurs and shoppers take part in relationships of production and exchange which allow capitalists to increase or even reduce economic value. When people cross the border they are negotiating new frameworks of social status and organization, and bringing with them their concomitant cultural ideals and values (Donnan and Wilson 1999).

2.2 Ethnic Relations: Becoming a Business Network

2.2.1 Inter-Ethnic Relations

In his work on migration, Wasan (2007) elaborates upon the mobility and locality of an exile returning to Sipsong Panna from Thailand. He focuses on the mobility of one Lue family, stating that their lifestyle represents a new form of people's mobility. In 1966 in China, a time of domination and suppression by the Red Guards during the Cultural Revolution, the parents of Chai, a Tai Lue man, moved to Mae Sai in Thailand from their homeland in Sipsong Panna. In the late 1980s, he returned to homeland, then in the 1990s moved from his original hometown to the capital of Sipsong Panna. After engaging in a number of businesses, he invested in a Thai restaurant, which brought him success and a high level of social capital (with ethnic networks in China and across the border to northern Laos, eastern Myanmar and northern Thailand) and cultural capital (symbolic legitimacy to produce and distribute Thai food). The success of his Thai restaurant business led to him expanding his social capital and business networks, which he constructed when he was in Thailand – far beyond the national border. Later, he was able to give his

support to the rebuilding of the community temple in Jing Hong city, due to the success of his restaurant business. His affirmative participation in this Buddhist activity – helping in the production of locality, has given him power in the Buddhist Community as a priest and a leading sponsor. Also, Chai’s production of locality activities, through his Buddhist practices, has involved the cooperation of other members (that is, Tai Lue Buddhist) of his community and networks. Through such activities, ethnicity has been used to create a link, both mentally and socially, with other ethnic peoples, helping to cement a connection. People use such ethnic ties as a way to make a place to live, to enter into a community, re-establish ethnicities and build business networks.

2.2.2 Cross-border Ethnic Relations

In any study of border areas and cross-border businesses, local ethnic relations need to be examined, as they have been already from various respects.

In Toyota’s work (2000), *Cross-border mobility and social networks: Akha caravan traders*, she writes about the cross-border trade of the Akha, which covers southeast China, Myanmar and Thailand, and in particular the trade relationships that exist among the Cin Ho, Tai Yai and Tai Lue ethnic groups, as well as others, which help to form “multi-ethnic relations”. For a long time, the Akha have been associated with other ethnic groups through trade interactions, and their trade networks have been developed by utilizing their ability to speak Chinese, plus through the use of inter-ethnic marriage relations. She concludes that the Akha have been successful in their cross-border trade activities by constructing networks with a variety of other ethnic groups, and that their identities have been flexible and have changed in light of their relationships with them.

Chau Thi Hi (2000) discusses ethnic relations between the Hoa (ethnic Chinese in Vietnam) and other ethnic people in terms of cross-border trade. Vietnam and China share a 1,347 kilometer long border, and there are a number of ethnic groups on both sides who have long standing ties and share many cultural traits, particularly since the opening of the border at the end of the 1980s. As a result, they

often understand each other's languages and have kinship and friendship relations, and this facilitates cross-border trade in any given location. The Hoa who live in the border areas play a significant role in terms of border trade, as middlemen - bargaining between the Chinese and Vietnamese merchants. In addition, the Hoa have expanded their business by networking with other ethnic groups as well as their own people who live abroad. For the Hoa, cross-border ethnic relations are one of the keys to success for their business.

Views on cross-border ethnic relations have not just been formed in terms of trade and business. Cohen (2000) examines the cross-border Buddhist pilgrimages of the Tai Lue in Muang Sing, particularly in terms of the 'Bun Thaat' festival, a festival held between the thirteenth and fifteenth days (waxing moon) of the first month of the Lue calendar (November) each year, a festival to which Tai Lue people come from both Sipsong Panna and Myanmar - crossing the local border in a form of pilgrimage. In the past, the number of pilgrims was very low due to the closed borders and poor condition of the roads; however, this journey has since been facilitated by the opening of the borders and improved transportation links. He regards this festival as part of a Buddhist revival which has taken place in both Sipsong Panna and Muang Sing - beyond political boundaries.

2.3 Social Networking - Crucial Relations for Business

"Networks are replacing nation states. As borders are erased, networks will become larger and more important. The place to start is the Chinese Overseas Networks....The economy of the borderless Chinese overseas is the third largest in the world. We are not used to thinking this way: counting the GDP of a network, rather than the GDP of a country....."
(Naisbitt 1996, cited in Hinton 2000:13)

To understand the concept of social networks, we should also understand the concept of social capital. The notion of capital can be traced to Marx (1993/1849, 1995/1867, 1885, 1894; Brewer 1984, cited in Nan 2001). In his view, capital is part

of the surplus value captured by capitalists or the bourgeoisie - those who control the means of production and consumption processes. This notion is part of the classical theory of capital (Nan 2001). Nan (2001:3) defines capital as the “investment of resources with expected returns in the marketplace”. In the last four decades, neo-capital theory has become the required theoretical orientation, and it encompasses human, cultural and social capital. In this study, I will focus on social capital, which is “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu 1986: 248-249, cited in Hong 2001: 360). According to Nan (2001), some scholars share certain understandings and approaches in their analyses of social capital, saying “social capital consists of resources embedded in social relations and social structure, which can be mobilized when an actor wished to increase the likelihood of success in a purposive action.” (Nan 2001:24). Nan defines social capital as “the resources embedded in social networks accessed and used by actors for actions” (2001:25). For Nan, resources mean “valued goods in a society...the possession of which maintains and promotes an individual’s self-interest for survival and preservation” (2001:55). Putnam also uses the concept of social capital in terms of civic engagement, saying that social capital refers to features of social organizations, such as trust, norms and networks, those that can improve the efficiency of society by facilitating coordinated actions (Putnam 1993, cited in Field 2003). Field (2003) states briefly that social capital is that which is used to construct human relationships.

Social capital is the investment in resources expected to help make a return, and is linked to social structures and human relationships on the basis of trust. There are two elements to social capital: the structure of social networks and the resources embedded in those networks; therefore, social networks are the foundation of social capital.

In the work of Hong (2001), which demonstrates how social capital and social networking operate within transnational Chinese businesses, social capital is regarded as important for the development and success of Chinese businesses in China and

abroad. She defines social capital as requiring the essential capacity of social networking, and some of the key attributes of social capital are social relations, obligations and trust.

Social networks simultaneously capture individuals and social structures; thus serving as a vital conceptual link between action and structural constraints, between micro- and macro-level analyses, and between relational and collective dynamic processes (Lin, Karen and Donald 2001). The concept of networks has recently become a fashionable topic in social science, sociology, anthropology, human geography, organizational theory and, more recently, economics circles (Gipouloux 2000). A network can be defined as “a totality of units, connected by a certain type of relations” (Joy 1964, cited in Gipouloux 2000:58). For a more restrictive definition, Imai and Baba (1991) define a network as the interpenetration of the market and organization, saying “A network can, in terms of theory, be viewed as interpenetrated from market and organization. Empirically, it is an organization with a structure marked by loose linkages and...with both weak and strong ties between constituent members. The network enables corporations to identify emergent opportunities for linking flexible specialization across boundaries of firms, and for triggering continuous innovation.” (cited in Gipouloux 2000: 58). By definition, a network is composed of relations between actors (individuals and organizations). Gipouloux (2000) says this relationship or link possesses both content (information or resource flows; social relations in general) and a form (the intensity of a relationship). He suggests that four elements are needed in order to operate networks: (i) actor-operators, (ii) the finality of an organizational mode, (iii) resources, which are the core of what is exchanged within the network, and (iv) a binding mechanism which provides coherence to the network.

In *Stranger in the City*, Zhang (2001) identifies Chinese networks such as *guanxi* (connection) as a kind of social network. Kinship ties and native-place networks played a significant role in sustaining the migratory flows required for the early development of the Wenzhou migrant community in Beijing. These traditional social networks were not opposed to the development of a modern market economy;

instead they provided the organizational framework needed to support Chinese rural migrants' social lives and private business activities (Zhang 2001:47). As an historical view of the extension of Chinese businesses across the world, it can be seen that the existence of an association of networks is important for Chinese businesses. I have also read literature about the overseas Chinese within the commercial field, whose origins began as "immigrants", but expanded Chinese businesses in ways similar to that of capitalism. The expansion of the advanced capitalist countries globally during the nineteenth century facilitated the establishment of Chinese immigrant business networks in South East Asia (SEA). Although the Chinese people have a long history of migration; large-scale migration to foreign lands first took place in the mid-nineteenth century. Yu (1983) says it has been estimated that from 1840 to the outbreak of the Pacific War in 1941, nearly ten million Chinese migrated to foreign countries (cited in Qiu 2000: 194). The background to this phenomenon was the bankrupting of numerous peasants and craftsmen due to the opium wars and Western countries' invasions. In addition, the discovery of gold in North America and Australia, the construction of continental railways in the US and Canada, as well as the exploitation of resources in SEA countries after they became colonies, all of these events required a large amount of labor to support them, so labor was recruited from China – using unequal treaties. It should be mentioned; however, that Chinese migration was just one component in the labor movements taking place across the world at that time, and was closely related to the international circulation of commodities and capital (Qiu 2000).

The overseas Chinese, who were one of the key components in the world labor market, used clans as the foundation of their business activities. In this new environment, the immigrants formed groups, or *bang*, based on dialects, and within the *bang* they organized clan associations based on localities and surnames. In SEA, there mainly existed Cantonese, Teochew, Hokkien and Hainanese *bang*. Such organizations were the pillars of the early, overseas Chinese economic networks (Qiu 2000). The *huiguans* (associations) also became the basis of a newly emerging professional organization: the Chinese Chamber of Commerce.

Comparing the situation of the Chinese in Europe and SEA to the Jews in Europe, Chinese immigrants could not compete economically with their European counterparts; however, the situation for the Chinese immigrants in SEA was very different. The commercial consciousness of the Chinese immigrants was lower than that of the European immigrants, but higher than that of the indigenous peoples in SEA (Freedman 1959 cited in Qiu 2000:197); therefore, the huge number of new Chinese immigrants began to enter the commercial field in this area.

Halpern (1959) refers to an organization called: *Groupement Administratif Chinois Regionaux*, which the Chinese who came from Hong Kong developed at that time, and was based on a system developed by the Chinese who lived in Vietnam. Quoting Hinton (1958:10), the Chinese organized themselves into *bang* with people who came from the same province and who spoke the same dialect, and they largely exempted themselves from Vietnamese jurisdiction. In summary, there existed a Chinese *bang* in Vietnam also.

In Chinese society, networks are embedded in the *guanxi* (Schak 2000), and when studying ethnic Chinese business, we cannot ignore their existence, and many scholars have mentioned its importance in most overseas Chinese studies. In the work of Chan Kwok Bun (2000), the concept *guanxi* denotes a set of expressively personal connections combined with traits such as loyalty. *Guanxi*; however is more than a mere relationship - it is a form of exchange based on sentiments and emotions and is marked by a mutual belief in reciprocity. *Guanxi* networks are varied, and can be based on kinship (*qingqi*), school friends (*tongxue*) and colleagues (*tongsai*), or even be formed between strangers who get to know each other because of a common interest (*tonghao*). The term *guanxi* is not the same as familiarism and paternalism, but places considerable emphasis on unwritten codes of conduct, in order to guard against the opportunistic behavior of its members. Business networks are thus a moral community *par excellence*. The term *guanxi* has been increasingly accepted as a valid analytical concept when referring to the cultural endowment of the Chinese in developing particularistic relations, and to the instrumental value these relationships provide to Chinese entrepreneurs and capitalists when carrying out their business

activities (Li 2000). Li (2000) also mentions the reported use of *guanxi* in mainland China, Taiwan, Hong Kong and elsewhere, as a means of achieving social mobility and business development, and this has also prompted an interpretation of *guanxi* in which its existence arises from a cultural propensity found among all Chinese, and which is perpetuated in the Chinese diaspora by those Chinese settling in different parts of the world.

Family also plays a crucial role within the Chinese business domain, as it is the fountainhead of start-up capital and of loyal, dependable and cheap labor. The family is often viewed as a source of social, cultural and economic capital at the onset of an enterprise. Wong (1991) also mentions that families are very important for capital accumulation, and so family activities characterize economic development in Asia as being based upon human capital. "Capital is not only seen as a medium for economic exchange. It is also a means to express feelings and to share filial piety." (Wong 1991, cited in Gipouloux 2000:66). Numazaki (2000) compares Chinese and Japanese family businesses, whereby Japanese family businesses are characterized by family control, while Chinese families tend to allow non-kin participation as part of an "extended family", including friends, acquaintances and the like. In this sense, *guanxi* and family are important components of the ethnic Chinese business model. This culture is not only about making a clan out of business, but is also about the sharing of information in order to support the prosperity of a business.

Family and *guanxi* relations among the Chinese diaspora represent a long-standing habitus whose very flexibilities have now been placed in the service of accumulation strategies under the novel conditions of late capitalism, and in the process are being reworked. Even more important are the ways in which their transnational practices, those centered on the family and on *guanxi* relations, have become thoroughly intertwined with the tendency towards sub-contracting and in fact, have helped to underwrite it, as, whether or not they are actually sub-contractors, the laborers employed by them, the human cargo they smuggle and so on, certainly are. (Nonini and Ong 1997).

Ethnic relations are also one form of social networking. Toyota (2000) mentions the importance of networking, especially kinship networking like marriage, in the Akha's cross-border trade activities. The Akha have established cross-border trade networks which go beyond the rigid political boundaries of nation states, and developed their networks using marriage with other Akha (at home, as well as in Myanmar and Thailand) and difference ethnicities, such as the Lue, Chinese Ho and Tai Chuu. Furthermore, some who have become successful traders have marriage connections with the overseas Chinese in Singapore, Malaysia, Taiwan and Hong Kong, so it can be said that "such marriages weave personal social relations into powerful trade networks" (Toyota 2000:214).

2.4 Production of Power Relations

The concept of "power" has been defined by many scholars. According to Church and Coles (2007), the plurality of approaches in existence is shown by the many established and contrasting theoretical statements on the nature of power; for example from Max Weber, Hannah Arendt, C. Wright Mills, Talcott Parsons, Steven Lukes, Anthony Giddens, Barry Barnes, Stewart Clegg, Micheal Foucault and Pierre Bourdier. The most canonical definition is Max Weber's, in which he asserts that power is "the ability to exert control over people, even against their will". This means that power is basic to the organization of social action and the pursuit of interests and; therefore, is the key to understanding the diverse forms of social stratification, such as class divisions and status differences, related to economic power. Also, he argues that it is better described as authority than power. Weber set the terms for a wide range of social science research agendas, including those that emphasize the capacity of groups or individuals to pursue their interests and affect others, those that study the distinction between legitimate and illegitimate power, and those that map lines of social stratification, forms of conflict and the mechanisms of societal integration (Calhoun 2002).

Foucault (1982) shows us a different notion of "power". He treats power as not merely a matter of capacities of or constraints on individual action, but as the medium of all social differences, which means that power constructs human

subjectivity at a fundamental level and creates the conditions under which certain kinds of agency become equated with power, freedom and constraint. Foucault focuses on the ways in which power and knowledge are linked (1977) (Church and Coles 2007).

On the notion of power relations, Clegg (1989) suggests that there are circuits of power complexity. In the case of “power to” and “power over”, the resulting relationship between A and B is asymmetric in A’s favor; however, it does not suggest that the relationship between A and B is resolved only in a single direction - the result is a function of the resolution of both A’s ability to dominate B and B’s ability to resist A.

The concept of “power relations” is also used to explain about “class”, “hierarchy” and “status”. According to Carter (1992), there is a power relationship when an individual or a group of individuals can endure that another, or others, do not do something, do not want to do or want to do something, or believe or do not believe something - irrespective of the latter’s interests. Power relations are not just localized in terms of the relations between the state and citizens, or in the frontier between classes, but go right down into the depths of society. Although it is true that a power relations structure’s pyramidal organization gives this power machinery a “head”, it is the apparatus as a whole that produces power and distributes individuals across a permanent and continuous field (cited in Pels 1998). Looking at it in a different way, Vail (2004) defines a “power relationship” as the ability of one entity to influence the action of another, and such relationships appear to exist on all scales. One can view people, companies or governments as single, coherent entities exerting influence on others, or one can also interpret each as a network of internal entities and power relationships from which the whole emerges. Although the concept of “power relations” is mainly used to explain state power, or class and hierarchy, there are power relations in various societies, communities and households.

Li (2001) examines the production of power and power relation among Wenzhou’s unofficial migrant community in Beijing. With rapid commercialization

and a booming urban economy in the post-Mao era, over the last two decades or so nearly 100 million peasants have moved to urban centers from rural areas in China, in order to seek employment and business opportunities. After moving to Zhejiangcun, which is the largest and most established migrant settlement in Beijing, from Wenzhou in Zhejiang Province, a small number of Wenzhou migrant leaders later emerged - developing their own residential and market spaces. Their power as migrant leaders has been based on the control of two social spaces: residential space (housing bosses) and market space (market bosses), and their associations (public service activists), which has granted them control over the largest trading center in Zhejiangcun. They also play a role as power brokers, mediating between the migrant community and the political authorities in Beijing's wider society. The migrant leaders mobilize kinship and native-place networks, personal loyalty and client connections in order to consolidate their power. Li points out that civic power within the migrant population is more likely to derive from traditional social network forms such as kinship ties, *bang* coalitions and clients - all of which are less visible to outsiders.

2.5 Conceptual Framework

The large influx of Chinese into Laos in recent years has helped highlight the diverse ways in which people integrate, the background to which here is related to the state policies of economic development produced in both countries. Border relations have been transformed and promoted both by state policies and external factors, in particular cross-border economic practices like trade and investment - as part of the state development process. In this context, "networks" are the most important component in the expansion and success of cross-border economic practices between China and Laos, especially the watermelon business, for both Chinese and Lao people living around the borderland. Actually, in this area they not only share a common border, but also share the same history - with a big percentage of the population being related or sharing family networks. Because of such strong connections, the people on both sides of the border have long established business relationships which have recently deepened (UNDP 2006). In addition to such cross-border ethnic relations, other networks operate within the watermelon business, such as friendship, ethnic

relations and business relations networks. Inter-ethnic relations in Laos also play a significant role in business activities.

However, the Chinese rural farmers and traders have a problem in China with state policies, in particular the lack of land available for agriculture, due to the increasing population and rapid economic development. In this context, Chinese people survive by using networks and cross-border economic practices; meanwhile, Lao people have also been influenced by state development policies; for example in terms of the production of cash crops for the Chinese market. The Chinese influx into Laos has caused the Chinese and Lao to develop new power relations and negotiation tactics in their contemporary world, such as learning new languages, acquiring knowledge on agriculture and business practices, as well as on human behavior.

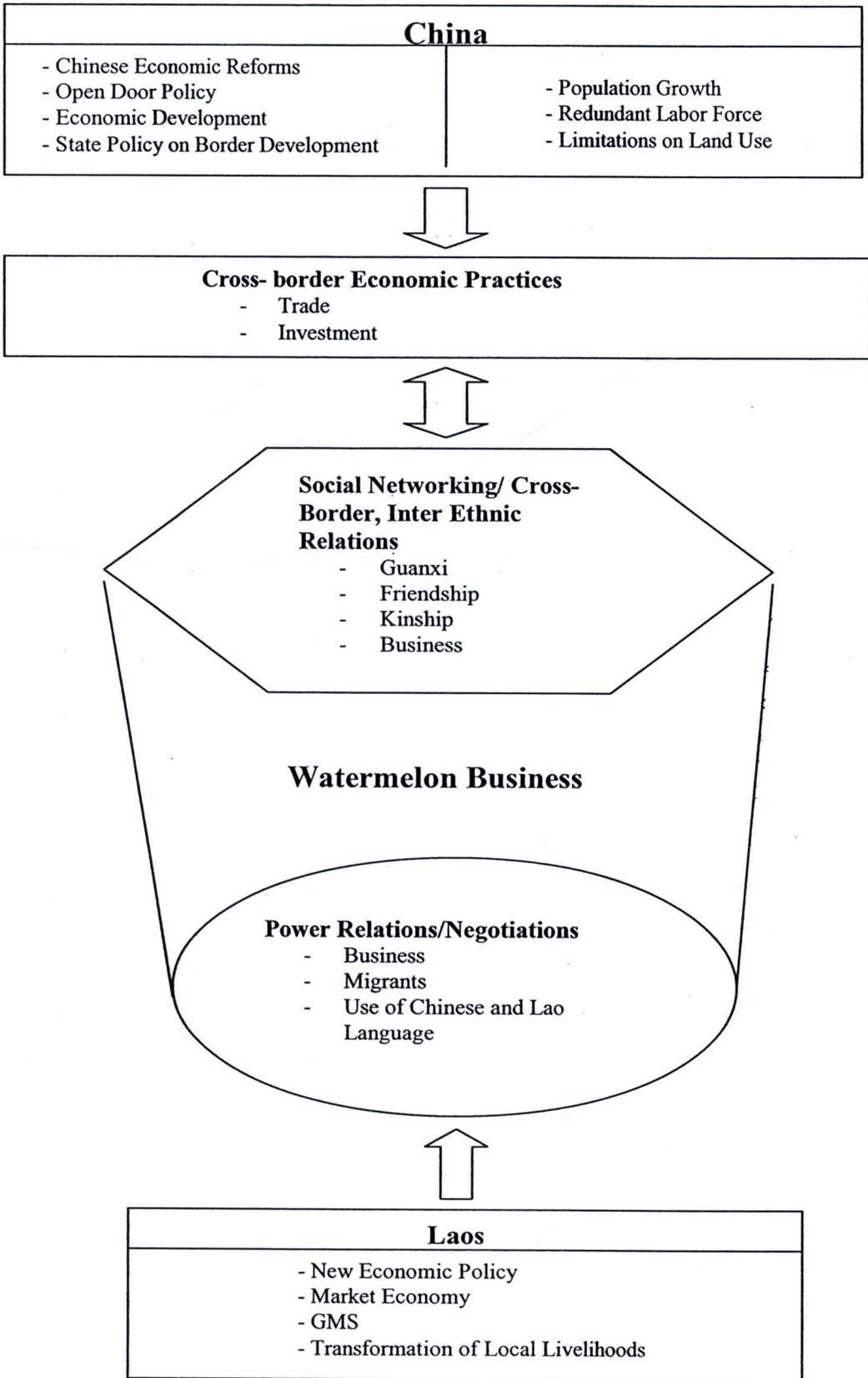


Figure 2.1: Conceptual Framework of the Study



2.6 Research Methodology

2.6.1 Research Site and Field Work

I chose Muang Sing (in Sing District, Luang Namtha Province) as the research site for this study, a town situated 60 kilometers north of the provincial capital Luang Namtha. The total population of Muang Sing is 30,548 spread across 94 villages (2005), and there is a long history of trade and exchange between the people of Luang Namtha Province and those in the Chinese province of Yunnan. These provinces not only share a common border but also share a similar history, with a large percentage of the population being related to each other or sharing family networks. Due to such strong connections, people on both sides of the border have long established business relationships, which have recently become even stronger (UNDP 2006).

In the area, there are two border crossings with Yunnan Province in China; one at Pangthong and the other at Mom village, and both are local check points. Local people in Muang Sing depend on cross-border trade with China for their economic development, and the agricultural production they carry out for the Chinese market sustains them, with sugarcane, rubber and watermelons being cultivated to this end. Muang Sing is in fact the main producer of watermelons in Laos, and this, along with its proximity to the Chinese border, is why I chose Muang Sing as the research site for this study. The watermelon fields in the area are dispersed across the town and out to remote areas in the mountains; therefore, I concentrated my data collection activities in the lowland areas nearby the town.

There is much ethnic, linguistic and cultural diversity in the area, with Akha, Tai Lao, Tai Lue, Tai Dam, Tai Nua, Yao, Hmong, Phunoi, Khmu and Ho people living side by side (Antonella 2006), though all of them are migrants from either outside the country or from other areas of Laos (see Ch.III).

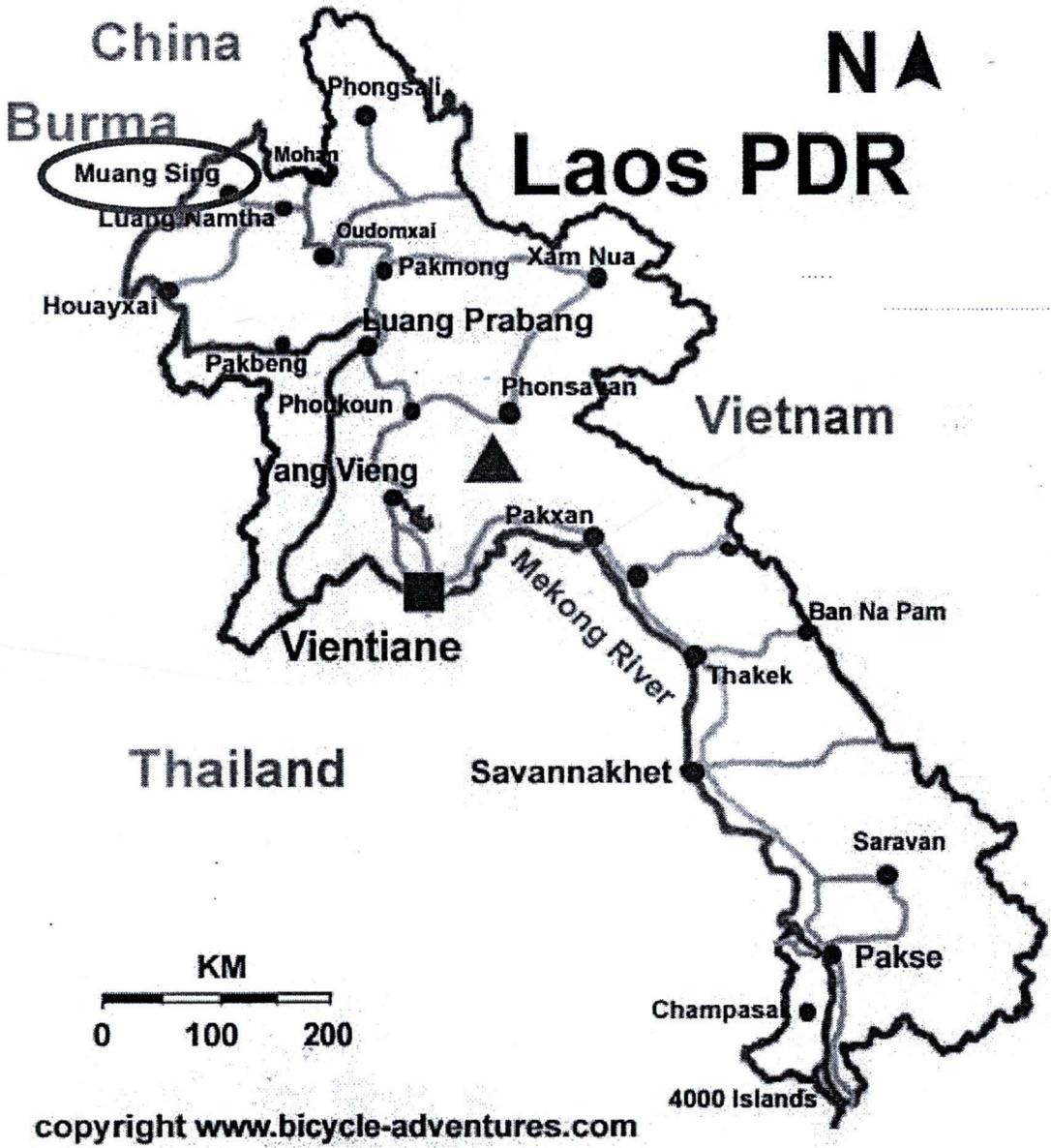


Figure 2.2: Map of Laos

(Source: <http://www.bicycle-adventures.com/map-of-laos.html>)

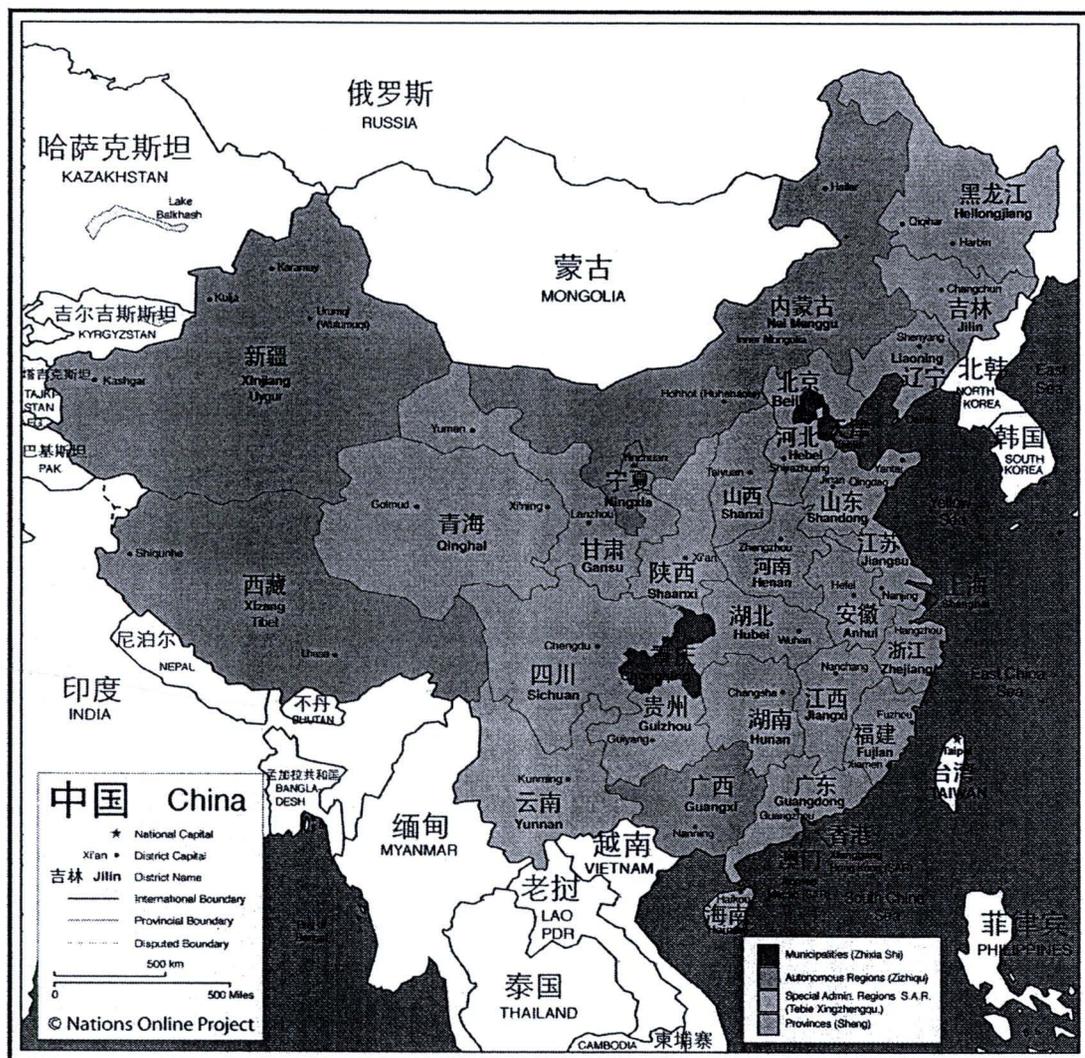


Figure 2.4: Map of China

(Source: http://www.nationsonline.org/oneworld/china_administrative_map2.htm)

For my research activities, I carried out both documentary and field research. Before entering the research site, it was important for me to understand the ethnic relations in the area, including those of the Chinese, the Lao culture and the current social developments and relationships between the Lao and Chinese. In addition, I gathered information on the ongoing political and economic issues surrounding the relationship between China and Laos, from reports produced by the Lao government and international organizations such as the ADB, UNDP and GTZ. Such quantitative and qualitative information was gleaned based on surveys I carried out regarding trade,

the production of cash crops and development policies in northwestern Laos, and such data was useful in helping me to develop a holistic picture of the study issue.

I conducted my research between March 2009 and February 2010 using participant observation and interviews. Between the end of March and April (the harvesting season), I researched watermelon harvesting activities, while at other times, I visited the research site for one or two weeks when particular events had been organized, such as festivals and watermelon planting – in October, November and December. The total amount of time I spent at the research site was around three months.

Participant observation was useful in order to gain a general understanding of the watermelon trade, the livelihoods of the local people and the Chinese, and the relationship between the Chinese and the locals. During the participant observation exercise, I paid a great deal of attention to which activities were matched to my key research concepts, including cross-border economic practices, ethnic relation and social networking. I mainly researched one Chinese trader group; therefore, I spent most of my time with them – visiting the watermelon fields, going to buy other cash crops, visiting the Chinese rubber company, eating and drinking with them and joining in with the Lao farmers' party. From such activities, I was able to observe their lives, watermelon cultivation activities, how they trade and the relationships within groups or between traders and local farmers. In the case of local farmers, because they plant watermelons for the Chinese trader group I had selected, the Chinese traders introduced me to them, after which I observed them and their way of life, even helping them to plant watermelons for one week. At that time, the local farmers regarded me as a friend of the Chinese traders.

In addition, my field research in Muang Sing, allowed me to observe two important ceremonies that both the Chinese and local people attend across the border: the rocket festival and the *Thaat Chiangteum* festival. In addition, I was able to participate in the daily life activities of both the Chinese and the locals, including cooking, eating, going to the fields or traveling to another province; watching TV,

attending wedding ceremonies, going to the pub and many other events. Thanks to my participant observation exercise, I found out many things that I could not have expected to discern from only interviews.

For my interviews, I conducted semi-structured interviews during the harvesting season in 2009, in order to gain a general understanding of the watermelon business. I visited many watermelon fields by motorcycle, interviewing more than twenty Chinese traders, Chinese farmers and local farmers. During November 2009, I conducted structured interviews with my Chinese trader group and with Chinese residents in Muang Sing. However, because I spent a long time with the Chinese traders and local farmers, I was able to obtain a lot of information through casual conversations rather than through the formal interviews, while drinking, driving in cars, eating and helping with the watermelon planting and harvesting activities. When I needed more specific information, I asked specific questions after dinner. The Chinese traders understood the purpose of my research very well and were pleased to help me; answering my many questions - picking me up at my guest house and inviting me for meals wherever possible. In addition, they introduced me to other watermelon traders or Chinese people, and as a result, I was able to conduct unexpected interviews with them - collecting data about the relationship between the Chinese and the locals. I was also able to collect information on the cross-border activities in the area from casual conversations with locals who I developed close relationships with during my three month stay in Muang Sing.

Methodological Consideration

I had to depend on interpreters during the intensive interviews due to my limitations in terms of the Chinese language, for which one local man and one Chinese woman helped me. I spent my research period during the harvesting season with the male translator, during which time he played the role of, not only translator, but also local guide, and I found I was able to enter local society quite easily through him, though it was more difficult to enter Chinese society deeply; therefore, during the planting season I took a Han woman to my research site as a translator. She was welcomed among the Chinese traders and local Chinese society in general, and as a

result, all of the Chinese were pleased to answer my questions and their level of unease was low. As a result, I was able to gain a level of information that I could not get while using the local translator. The watermelon trading business is a male dominated society; therefore, the reason why I was accepted by the Chinese might have been related to gender issues. Using the translator made me look good in terms of credibility, though there was a risk that the translators would place their own hypotheses or opinions into the informant's mouths. In order to prevent this, I studied Chinese so that I could understand what the traders said and I confirmed this with each speaker several times.

In this research, I paid a lot of attention to my positionality; telling all the Chinese and local informants: "I am an MA student at Chiang Mai University who is researching the watermelon business". After this, the Chinese and locals helped me to collect my data. What I focused on during my research was becoming a 'friend of the Chinese' or 'friend of the Lao', as I wanted to hear both sets of views: Chinese and Lao. If I were only a 'friend' to the Chinese, it would have been very difficult for me to get a true picture of the Lao side, and if I were only a 'friend' of the Lao, it would have been very difficult for me to gain information from the Chinese, plus I would not have been able to take part in Chinese society. As a result, I tried to tread carefully – so that I did not get along too well with the Chinese in front of the locals and vice-versa.

2.7 Unit and Levels of Analysis

As its unit of analysis, this study pays particular attention to people engaged in the watermelon business around the Lao border with China. People who work in the watermelon business can be divided into two major groups: traders and farmers. Traders move freely across the borders and trade watermelons using their networks with the farmers and buyers in China and Laos, while farmers plant watermelons in Laos in order to sell to the traders, who are mostly Chinese men aged between the late twenties and early forties plus who have a low level of education. The traders come from across China, but in particular from Sichuan, Hunan and Yunnan. The farmers can be categorized into two groups: local farmers and Chinese farmers who have

come from Sipsong Panna in order to plant only watermelons. The local farmers' group is made up of several ethnicities, including the Tai Lue, Tai Dam and Tai Nuea; all of whom are lowland people and who work in the family unit. The farmers who come from China are all Tai Lue people from Sipsong Panna who work with family or friends. Except for the family unit itself, they are all men. The traders and farmers are not particularly diverse in terms of their social status, age, ethnicity or gender, but share similar features across all categories.

The aim of my research was to explore the networks and ethnic relations involved in the watermelon business from a micro point of view; therefore, I decided to focus on one group of Chinese watermelon traders which comes to Muang Sing – one of the border towns between Laos and Yunnan Province in China, plus on the farmers and people who connect with this trade group using their own networks, as I also wished to take into account the local view.

2.8 Structure of the Thesis

This paper is organized into seven chapters, including this introduction. In Chapter I, I have given a holistic picture of the study, first, by explaining the study background in order to give an outline of my research interests and provide readers with an understanding of the social issues involved, and second, by presenting the problems I encountered, plus the questions and objectives of the study.

Chapter II introduces the theoretical framework of the study by reviewing previous studies and the three conceptual tools used for theoretical and empirical analysis, these concepts being: ethnic relations, social networking and cross-border economic practices. The conceptual framework diagram helps the reader to understand how these concepts are linked to one another when border relationships are formed as part of the cash crop production sector in Laos. Furthermore, this chapter has given an outline of the research methodology - that is, how the research was conducted and how the analysis of the information I gained during my research will be presented in this paper.

The following chapter, Chapter III, presents the arguments and findings based upon my field research, plus takes a historical and current view of the socio-economic aspects of border relations as they have changed in Muang Sing, plus the local cross-border activities and cross-border trade between Yunnan and northwest Laos. This chapter aims to show the transformations that have taken place in local cross-border activities, the unchanging importance of the border, and the rise of cross-border cash crop production as a modern cross-border activity in Lao rural society, and especially the cultivation and export of watermelons.

Chapter IV outlines the ethnic relations that take place within the watermelon business, between the Han, Chinese Lue and Tai Lue in Laos, and the Akha. I will examine the social network that exists between the Chinese and the locals as part of the watermelon business, and will explain what kinds of networks that exist and operate, plus I will elaborate upon how the actors make connections with each other in terms of ethnic relations – based on the existence of a network.

Chapter V elaborates upon the livelihoods and capital of those people engaged in the watermelon business. I also examine how they generate capital and have developed their livelihoods through use of the watermelon business networks.

Chapter VI explains the power relations and inequalities that exist within the watermelon business; within Chinese and Lao society, plus I will mention the practices used by non-agricultural actors for their own survival and as a negotiation tactic within their current situation, focusing on the Chinese in Lao society, the movement of the Ho ethnic group, the lives of female prostitutes, the learning of languages and the expansion of Chinese trade activities.

Chapter VII is the conclusion, and presents the findings of the study based upon the theoretical discussion of the role of the border and border relationship between China and Laos within the watermelon business.