

CHAPTER IV

ETHNIC RELATIONS AND NETWORKING ACROSS ETHNIC AND NATIONAL BOUNDARIES

4.1 Introduction

As mentioned in the previous chapter, the watermelon business has become a big cash crop activity in Muang Sing, and is operated through a variety of ethnic relations, as constructed by the different ethnic groups in the area. Such ethnic relations have been transformed into a social network which has helped to generate capital for those people engaged in cultivating watermelons.

As mentioned in Chapter II, the existence of social networks is really important for Chinese business activities, and Chinese businesses and society have built networks at home and abroad for many years. As a result, the concept of networks cannot be separated from any study of Chinese society. In addition, networking plays an important role in maintaining the livelihoods needed to generate capital, not only for the Chinese, but also for others. In this chapter, I will elaborate upon how cross-border businesses operate in terms of the interaction between the Chinese and the locals in the border areas of Laos and China, as part of an economic negotiation for space, and will focus on this social networking framework based on ethnic relations, plus analyze the social networks that operate in the watermelon business, as well as how such networks have been constructed and the important role they play in the life of the Chinese and the local farmers.

The first section provides a general description of the watermelon business in order to understand the ethnic relations that exist as part of its complex business process. In the second section, I will focus on the business networks based on ethnic relations in the watermelon business, including those of the Chinese traders – in

particular their internal networks, plus the networks formed between the local farmers and Chinese traders, and those of the Chinese, Lue and Akha in general. In addition, I will mention how the Chinese traders have developed a relationship with the local farmers, having spent time with them during their trading activities, and will also examine how the traders have built their networks, focusing on location and means, plus, in the fourth section, I will look at the livelihoods and capital of the people engaged in the watermelon business. I will also elaborate upon the situation of each of my informants, including the Chinese traders, investors, technicians, local farmers, Chinese Lue farmers and Akha.

4.2 Ethnic Relations in the Watermelon Business

Watermelon cultivation in Muang Sing starts in October, when the farmers start to prepare the land, eventually planting the watermelons at the end of November and harvesting in March or April, so the growing period is just four or five months during the dry season. Usually, in March and April, a large number of Chinese (around 500 Han and Chinese Lue from Sipsong Panna) visit Muang Sing from throughout the country to buy watermelons and sell them back in China. The number of Chinese watermelon traders is increasing year on year, plus over 100 farming families (mostly Chinese Lue) come to Muang Sing also.

During my research visit in March and April 2009, only one company from Jing Hong was engaged in the watermelon trade; the others were individual traders. This company has a house not so far from the center of town, and all the employees (ten persons) live there, using a private electricity generator. The company rents the land from a local land owning family (Lue) and the landowner's family also stays there. The company rent about 100 ha of land to plant watermelons, hiring more than 100 local people, though they plant the watermelons themselves and also buy from other farmers. All the harvested watermelons are eventually sold in Beijing. The company not only cultivates and trades watermelons, but has also grown and traded rubber, bananas, vegetables and rice, as well as bred fish, for seven years; since the time the company opened its business in Muang Sing. The company is run by both Han and Chinese Lue.

Most of the individuals from China are men, and during my research I met only one woman working as a middleman, and some of the Chinese traders told me they had never met a female trader. Most of the traders come from Kunming, though others come from Sichuan, Henan and the Inner-Mongolia autonomous region, driving their cars or trucks. They are mostly Han and stay in Muang Sing from one week to a month in order to purchase watermelons, before returning to China. Most of the traders only come to Muang Sing during the watermelon harvesting season.

The traders buy watermelons from the farmers at about 0.4 to one RMB, and then sell them in China for around one to three RMB depending on the location and climatic conditions. However, prices in the year prior to my research were higher than in 2009 - with selling prices reaching 1.5 RMB to two RMB. Usually, the watermelons can be sold at a higher price in Beijing than in Kunming, and when there is good weather, the negotiations over the watermelon price are more advanced and the local farmers can get a better deal - plus they can do two rice cultivations a year. However, when I visited in 2009, the farmers had some problems due to high rainfall levels and the Chinese traders and farmers did not want to make a contract for buying and selling watermelons. These contracts are drawn up between the local landowners and the Chinese planters. The land rent varies between 800,000 kip to 1,500,000 kip per season (five months) depending on the location, so for the watermelon farmers, watermelon cultivation is a kind of gamble. After buying the watermelons, traders take them back to the markets in China, or ask truck drivers to come from China and pick the watermelons up in Muang Sing.

There are many actors involved in the cross-border watermelon business, and in this section, I will elaborate upon the general details of the actors and their roles. Many ethnic groups are engaged in this business, within which there are seven roles: buyers, trade operators (middlemen), truck drivers, farmers, landowners, laborers and consumers, and they are closely connected to each other by inter ethnic and cross-border ethnic relations, as follows:

1. Buyers who live throughout China (Beijing, Kunming, Sichuan and Hunan etc).
2. Trade operators (Han from Kunming, Sichuan, Henan and Inner Mongolia, and Chinese Lue from Sipsong Panna).
3. Truck drivers from China (Han).
4. Farmers (Tai Lue from Sipsong Panna and the Tai Lue, Tai Nua, Tai Dam, Yao who live in Muang Sing).
5. Landowners (Akha, Tai Lue, Tai Nua and Tai Dam in Muang Sing).
6. Laborers (most are Akha, but those villagers who live near the watermelon fields also work as laborers).
7. Consumers - who live throughout China

The buyers in China give their orders for watermelons to the trade operators who come to Muang Sing. Most of the trade operators who come from throughout China to cross the border and buy watermelons are Han, and they normally arrive in groups of three to eight people. Most of them are friends and they come to Muang Sing together every year from the same place. Some groups are made up of Han and others of Lue from Sipsong Panna, and in many cases, the Chinese Lue play a role as translators, translating from the Lao language or Lue to Chinese. The trade operators are thus middlemen who sell watermelons to the buyers who work in markets – in turn selling the watermelons to end users. The trade operators have connections, not only with buyers but also with the farmers who plant the watermelons in Muang Sing. As a result, they often call the farmers to ask them questions such as “How about your watermelons - are they ripe already?” Traders sometimes exchange information amongst themselves regarding the watermelons, and some pay subscription fees to the farmers to reserve watermelons one or two days before the harvest is due. All of the Chinese Lue farmers rent land from local landowners, especially the Akha, and the local farmers also rent land from other local landowners in case they cannot plant watermelons on their own land. The Chinese Lue farmers and local farmers rent land from local owners such as the Tai Lue, Tai Dam and the Akha. Sometimes middlemen help find land and get a percentage of the crop. The Akha and the nearby villagers work as labor during planting and harvest time. Actually, although the Akha are hired

by Chinese traders or local farmers, the local villagers are just helpers; most of them are relatives or friends of the farmers.

After the trade operators have found the right watermelons, they call the buyers in order to organize truck drivers to come and pick them up at the watermelon fields. Usually, the truck drivers stay in Muang Sing for just one night, and help to harvest the watermelons with the trade operators and laborers (such as the Akha and local villagers) the next day, heading back to China with the watermelons after the harvest. This is the general watermelon trade process. Sometimes; however, the trade operators' act as farmers (investors) and even truck drivers - playing several roles, and this makes the watermelon trade process very flexible.

4.3 Networks in the Watermelon Business

As mentioned above, the watermelon business consists of the weaving together of several social networks based on intra- and cross-border ethnic relations. In this section, I will explore further the details of this networking system, covering the Chinese group, the Chinese and locals network, plus the Chinese, local Lue and Akha network, and I will make clear what kind of networks operate in the watermelon business and how these networks are constructed.

The Chinese trader group I accompanied usually live for about six months of the year in Muang Sing, then during March and April they sell their watermelons in Sichuan, Yunnan, Henan, Hubei, Shanxi and Shandong provinces. They have sales channels with people in the markets in China, and the buyers there either place orders with them when they need watermelons, or if the traders source an adequate supply of watermelons themselves, they ask the buyers whether they need some or not. The traders have own connections with local and Chinese Lue farmers, and they sometimes approach the watermelon fields run by familiar farmers and check the progress of the watermelons before harvesting. However, they not only visit the fields of familiar farmers, but also those of farmers with whom they are unfamiliar. After they have found the right watermelons, they call the buyers who then arrange for the trucks to be sent. Usually the trucks arrive in time for the harvest – one or two days

after the traders have entered into a sales contract with the farmers. The day after the truck has arrived, it is taken to the watermelon field to pick up the watermelons, and on the same day, the truck driver goes back to China – taking the watermelons to the buyers.

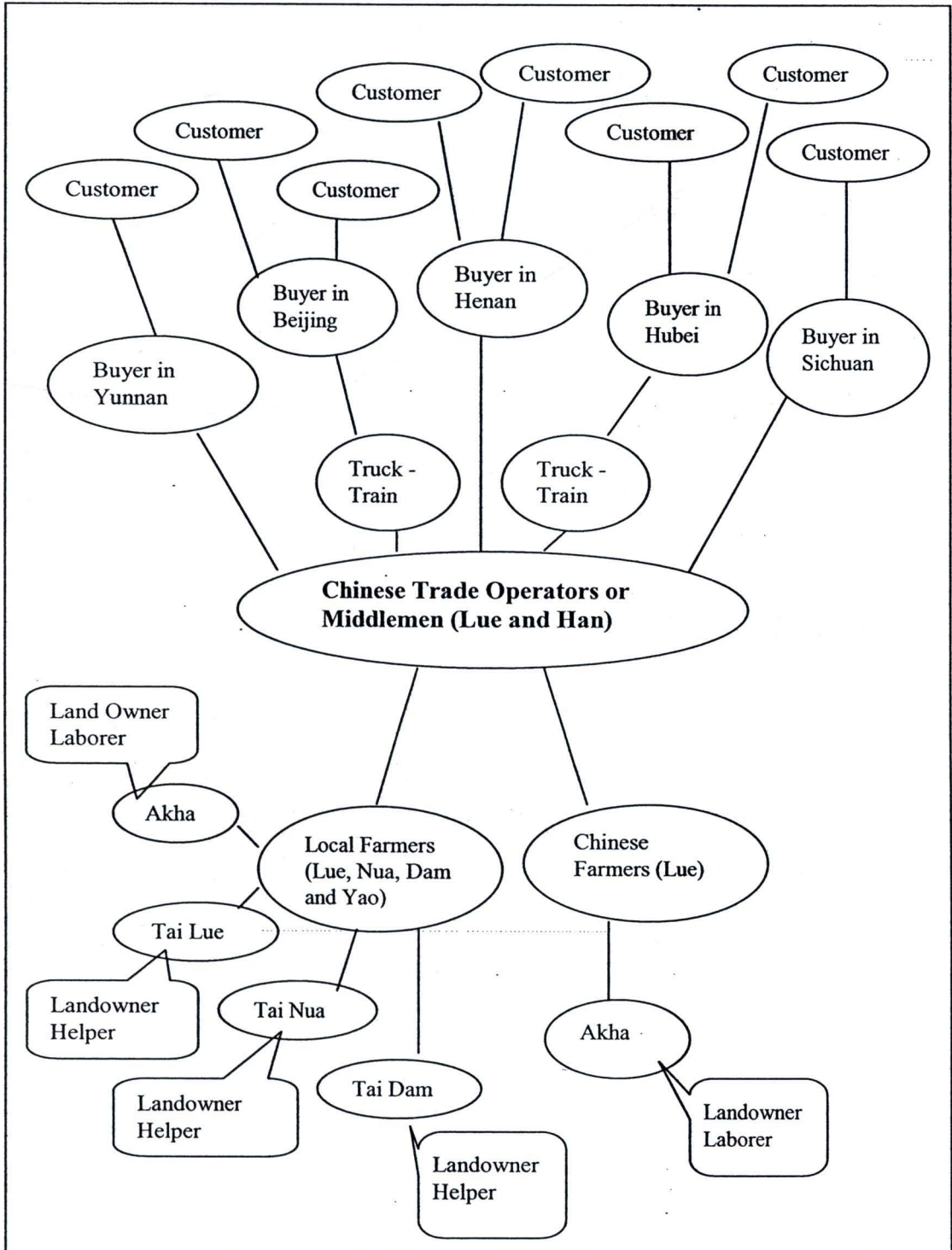


Figure 4.1: The Watermelon Business Network

Chinese Traders: Is it *Guanxi*?

In this section, I will explore the social networking that takes place within the group of Chinese watermelon traders I accompanied. This group consists of five people, the key person being a middleman named Lin Zhi Yong (36 years old, Han). He started to come to Muang Sing in 2005, and on his first visit his friend asked him if he wanted to work in the watermelon trade. In 2009, he only traded watermelons using an investor, called Song Shuai (Han), plus one assistant - Yan Heng (29 years old, Chinese Lue). This group met at a Chinese restaurant in Muang Sing during 2007, though Song and Yan met at Yan's brother's wedding party in Mengman, Sipsong Panna. Song is Yan's sister-in-law's friend. When they met, Yan asked Song if he wanted to go to Muang Sing to do business with him, because Yan had been going to Muang Sing for a number of years by that time. At first, they only worked together trading reeds, as Yan had found out about the reed trade when working in Muang Sing before, while Song also had experience as a long-distance driver and had a network with people working in markets across China. Although they met in 2007, they did not start working together in the watermelon trade until the 2009 harvest season, when Song invested more time and money. Lin and Yan now participate in this trade as middlemen, assistants and as Chinese/Lue translators. In 2010, Lin has more recently found an investor - Chen Tai Lian (26 years old, Han) and they plant watermelons together with a Chinese technician and the local farmers. Lin and Chen also met each other at a Chinese restaurant in Muang Sing the first time, though Lin is actually a friend of Chen's ex-girlfriend. The technician in the group, Ji Long (49 years old, Chinese Lue) is the ex-husband of Lin's sister and is also Lin's brother-in-law. As can be seen, this trade operator group is centered on Lin through relationships with ex-kin, friends and business acquaintances.

The network in this group, and other Chinese trader groups, has been constructed through communication at Chinese restaurants, and by the sharing of information and providing mutual help. According to my interviews with the Chinese traders, all the traders exchange watermelon information with one another, which means that the networks are a form of *guanxi*, and this culture is still strong among

the Chinese traders, though it is probably even stronger as the old Chinese migrants abroad.

Within studies of Chinese business, the concept of *guanxi* is considered an important element in its success and development. Trust is one significant aspect of *guanxi*, and cultivating *guanxi* successfully creates a basis of a trust in a relationship over time; therefore, instrumentalism and sentiment come together to form *guanxi* (Smart 1993, cited in Gold et al. 2002). According to Hammon and Glenn (2004), the concept of *guanxi* is a form of social network theory that defines one's place in a social structure and provides security, trust and a prescribed role.

The Han who engage in the watermelon business in Laos are the same, and according to my research, the Han traders and Chinese Lue traders began business together due to a mutual ability in terms of language and as an investment, before they established a trust relationship, at which point, the concept of *guanxi* could be applied. However, is this concept a new phenomenon, as has appeared in the cross-border watermelon business in recent years and with Chinese economic development?

The concept of *guanxi* is in fact taken from an older form of social network theory that contextualizes individuals within a highly collectivist society (Hampden-Turner & Trompenaars 2000, cited in Hammond and Glenn 2004); however, the current Chinese individualist society is no longer a collectivist one. Chinese modern society is seeking individual rather than collective benefits in order to survive, and the Chinese engaged in the watermelon business are these kinds of people. The concept of *guanxi* has mainly been used in the study of overseas Chinese in Hong Kong, Taiwan and Singapore. These overseas Chinese use *guanxi* to network when they migrate somewhere, or when they invest and develop businesses - in order to generate collective benefits. However, such businesses of the overseas Chinese and the watermelon trade in Muang Sing are quite different. The Chinese in the watermelon business are not migrants; they come to Laos only for the watermelon harvesting season. In addition, their relationships and business activities are not continual; therefore, it is harder to establish the deep, confidential relationships required.

Within the relatively recent cross-border watermelon business, although there is an aspect of *guanxi* - which the Chinese business people value, the relationships established are actually lighter and more flexible.

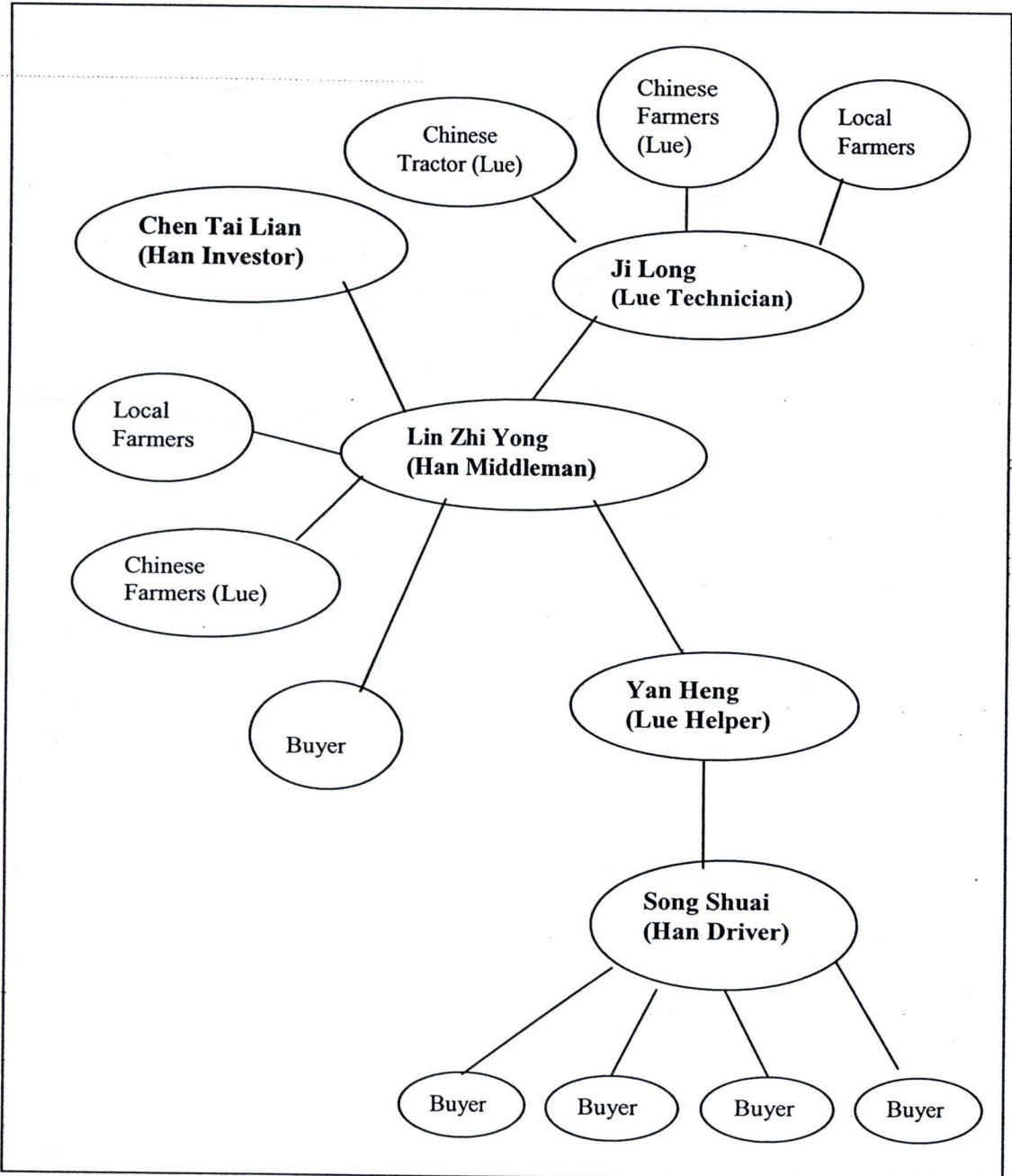


Figure 4.2: Chinese Watermelon Trade Network

The Story of One Day Spent Harvesting Watermelons

On one day in April, in the middle of the watermelon harvesting season, I met with the Chinese traders, with Lin (one member of the Chinese trader group) and his friend, in front of the Chinese restaurant '*Sichuan fan dian*' on the main road at 8 a.m., Chinese time. The place was crowded with Chinese watermelon traders eating Chinese noodles for breakfast, and afterwards we went to village T to find watermelons for Lin's friend. His friend did not have a car at that time; therefore, Lin took him to the watermelon field. Although the watermelons in village T had already been booked by Lin a few days before, we went to look at the watermelons which were still not ripe at that time. The traders took some watermelons and checked their ripeness, asking the farmers: "Did someone already reserve them?" No one had booked them, but they didn't buy them because they said the quality was poor. After visiting only one watermelon field, they returned Lin's friend to the town, and Lin picked up his watermelon trading partners, Song and Yan, in front of a Chinese guest house, then went to buy watermelons in village N, which is located in a somewhat mountainous area, using a 'Nissan Blue Bird' (Black color) with a license plate purchased for 2,000 RMB. While in the car, they played Chinese hip-hop music at full blast. A farmer we met who plants watermelons in village N is a Chinese Lue from Mengman in Sipsong Panna. He has planted watermelons in Muang Sing for nine years with his wife and one relative, and they rent land from some Akha friends. The Chinese traders have bought watermelons from them for three years. On the day we visited, the Chinese traders checked the quality and ripeness of the watermelons then started to negotiate. They haggled over the watermelon prices, but negotiations were settled after just twenty minutes, and in the end the Chinese traders bought 3,100 watermelons for 2,000 RMB in cash. After closing the deal, Yan stayed in the field to select the watermelons they wanted to buy, while Lin and Song went to another watermelon field where they were due to harvest the next day, then went to another field where they were due to harvest the next week. After that, they came back to the watermelon field to finish selecting and purchasing the watermelons. Selecting the watermelons was hard work, so the traders and farmers did it together, taking about two hours under the scorching sun across a two hectare field. As a result, straw hats and drinking water were key commodities for the watermelon traders that day. After

selecting the watermelons, they went to have lunch at a Chinese restaurant and then went to pick-up a truck driver at the Panthong border (the driver was from Shanxi in the northern part of China) in order to harvest the watermelons the next day – sorting out the truck driver’s border formalities and tax. With their key work of the day finished, they returned to the guest house at 2 p.m., took a shower then played cards with some Chinese friends working at the rubber company plus other Chinese watermelon traders, until dinner time. After that they went to have dinner at a Chinese restaurant near the bus station with the truck driver, and during dinner, they enjoyed drinking two bottles of Chinese spirits and ‘Beer Lao’, inviting Chinese and local Lao people who they met at the restaurant to join them. It turns out that these new acquaintances were Chinese watermelon traders and Lao government officers. After dinner, they went out to a familiar pub and drank again with their favorite girls from the pub, plus prepared one girl for the truck driver. At the pub they enjoyed drinking and singing Chinese songs, then sent the truck driver and the girl to a guest house. The Chinese traders then went out to one more pub with their favorite girls and returned to their lodgings together.

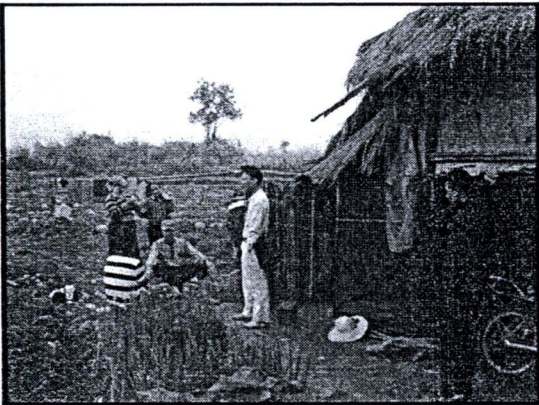


Figure 4.3: (left) Chinese Traders Negotiating the Watermelon Price with Chinese Lue Farmers

Figure 4.4: (right) Chinese Traders Marking the Watermelons



Chinese Traders and Local Farmers

The time when the Chinese traders and local farmers are most involved with each other is at harvest season. Prior to the harvesting season, the Chinese traders call the local farmers they know and arrange to visit them in their fields to inspect the watermelons. The network formed by the Chinese traders and local farmers is mainly a business network, though it can develop into a friendship network. Most of the Chinese traders only come to Muang Sing during the harvesting season, buying watermelons wherever they can and returning to China. As a result, some of them are not familiar with the local farmers, though those Chinese traders who come to Muang Sing and buy watermelons from the same farmers every year have strengthened, mutual relationships with them.

In this section, I will investigate how the Chinese trader group has built a network with the local farmers and how they have nurtured a relationship with two particular farming families. In 2009, my Chinese trader group purchased watermelons from local farmers who they had known since before that harvesting season, and they were invited the local farmer's drinking party after the harvesting was over. In 2010, the trader group planted watermelons with local farmers they know well, one Lue man named Mai Sing and his wife's relatives in village N. They met each other four years ago through the buying and selling of watermelons and Lin, a middleman, buys watermelons from Mai Sing every year. Their relationship is very close, and Lin even gave Mai Sing a double SIM card mobile phone which works in China and Laos, so that they can keep in contact at anytime. The technician in the trader group, Ji Long, is most familiar with Mai Sing, and invited him and his family to his house in Mengman, Sipsong Pannna after the harvesting activities were over three years ago. At the time, Ji prepared every meal and provided accommodation; Mai Sing covered only his expenses in travelling from Muang Sing. As a result of this, Mai Sing and his family are very friendly - like a family.

Mai Sii (from village X) and Ji have known each other for six years as a result of their watermelon cultivation activities. In 2010, Mai Sii could not plant watermelons on his land, so he introduced another villager as the co-planting of

watermelons with the Chinese traders. The Chinese traders invest a lot in this business, so local farmers have the responsibility to cultivate watermelons. The Chinese traders went to the watermelon fields everyday to watch the farmers' work and monitor watermelon growth during the planting and harvesting season. One day early in November, Lin received a call from Mai Sii to say that the watermelon seeds were 'blind'. Usually, farmers sprout the seeds at body temperature while they sleep, but on that day, although the seeds were supposed to appear, only a few seeds had sprouted by the time the farmers woke up. This was a big problem, so Lin and Ji ran to the farmer's house in a hurry and the farmer decided to try and sprout the seeds again under the direction of Lin and Ji. As a result of this, they developed a better level of contact with each other and have since deepened their relationship by mutually resolving any problems, together. Mai Sii now visits the Chinese traders at their guest house in town when Mai Sii has free time, and they drink beer together. As a result of the watermelon business, they value their relationship.



Figure 4.5: (left) A Chinese Investor Checking Watermelon Seeds with the Local Farmers



Figure 4.6: (right) Chinese Investors Resolving the Seeds Problem with the Local

Local Farmers

There are two key types of networking among the local farmers; one an ethnicity-based network and the other a kinship-based network. Under the first network, a person rents land from someone of a different ethnicity in other village in order to plant watermelons. According to my survey, the Tai Lue rent land from the Tai Neua and vice versa, though in the example I look at, the two villages are situated on opposite sides of the road.

The second form of network is the internal network within a farmer's family, such as with the case of Mai Sing and his family, who I mentioned above. He plants watermelons with his wife's relatives, her older and younger brother, younger sister and nephew, and they all get involved in farming the land. The local farmer and Chinese investors in village X are the same (see.4.4.2); he plants watermelons with his brother, and the Tai Neua also plant watermelons among their relatives. From this it can be seen that among the local farmers, kinship networks are used (see. 4.3.1).

During my research, I uncovered one more important network – the group of middlemen that exists among the local farmers. In the case of village X, Mai Sii plays the role of middleman; introducing Chinese traders to the village farmers who want to plant watermelons.

Akha with the Chinese Lue farmers, Local Farmers and Chinese Traders

In the watermelon business, the role of the Akha is very important, especially during the planting and harvesting season. The Akha relates to the watermelon business in multiple ways - renting land to the Chinese Lue farmers as well as participating in the planting and harvesting of watermelons, as laborer¹¹.

In one case of a Chinese Lue farmer planting watermelons in village N, he rents a field from an Akha he knows from before as a result of his eight years'

¹¹ Economic differentiation exists among the Akha, but both rich and poor Akha rent land to Chinese Lue farmers and other ethnic farmers. The Akha who help harvesting watermelons are passers-by or from neighboring villagers, those who have time to help harvest the watermelons or who want to earn extra money.

experience cultivating watermelons in Muang Sing, and in return the Akha helps him with his watermelon cultivation activities. He comes to Muang Sing with his wife and one relative - only three people, so he cannot plant watermelons without help from the Akha.

During the planting and harvest season, the Akha are hired by Chinese traders or local farmers in cases where harvesting takes place in the nearby Akha village. Village S is located next to an Akha village, but the distance is about five kilometers. The local farmers who plant watermelons in village S originally visited the Akha village and asked the Akha if it would be possible or not for them to help harvest the watermelons in two days time. The local farmer told me that they now order help whenever they harvest watermelons in village S.

The Chinese traders from Sichuan who use the Akha to harvest their watermelons told me about their original encounter: "During the harvesting of watermelon, the Akha walked here accidentally and asked us if we needed their help or not. Whenever the Akha meet the Chinese watermelon traders, they ask this question, but we cannot understand what the Akha say, so we communicate with them using body language." The relationship between the Chinese traders, local farmers and the Akha is mostly a business relationship. Some Chinese Lue farmers who borrow land from the Akha have built a limited network with them, but others create only temporary relationships - communicating only at harvesting time, so it is not a not a network that operates continually.

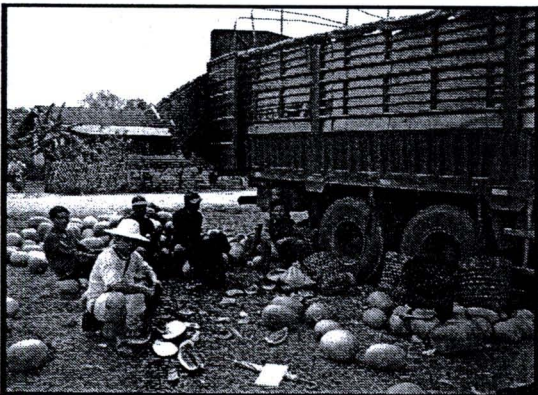


Figure 4.7: Chinese Traders and Akha during the Harvest Season

Chinese Traders and Local People on Holiday: Going out Together to Construct Friendships and a Business Network

In this section, I will investigate how Chinese traders have deepened their relationship and networks with the local people and farmers in local Lao society through their actions during a holiday.

A Sunday in April - after the Lao new year, is the day when the harvesting activities are settled in Muang Sing. In the year I visited, a drinking party was organized by the local farmers from the early afternoon onwards, and they invited the Chinese traders, Song and Yan. The local people attending were all those who have a business relationship with the Chinese traders - comprised of teachers, guest house owners and government officers, but all of whom are engaged in pumpkin cultivation, chili cultivation and collecting reeds for trade to China as side businesses. In other words, they are business partners with the Chinese traders. On that day, the party took place in the teacher's house - a person known in Muang Sing as being the most familiar with the Chinese. His wife cooked several dishes and they drank Beer Lao and Chinese spirits, saying "cheers!" many times. None of the local people can speak Chinese well, while Song cannot speak Lao, so they spoke a smattering of Chinese and Lao. Drinking; however, helped to break the language barrier and after the party they moved to the karaoke bar nearby the market and drank again with girls working at the bar. In the bar, other local people joined in, and in the end a total of more than fifteen people sang songs, danced and talked together, loudly. The party continued until 7 p.m., after which they moved to a coffee shop, and Lin joined here after he finished mahjong at other place. After drinking coffee, they then went to have dinner at a Chinese restaurant. The Chinese traders paid for most of the party, except lunch. As a result of such events, the Chinese traders and local farmers have deepened the relationships and networks that exist amongst them.



Figure 4.8: Chinese Traders and Local People Drinking Together during a Holiday

4.3.1 Tobacco and Chinese Restaurants: Space and Goods for Building Social Networks

For the Chinese traders, tobacco is not only an item of personal choice; it plays a very important role in terms of business. Whenever they go to the fields and meet others for the first time, they share their tobacco, whether it is the local farmers, the Chinese Lue farmers, the Akha or other Chinese traders, lighting it up and starting a conversation. The local farmers and Akha are happy to receive the tobacco, as it is a well-known Chinese custom and greeting. Such behavior makes the relationship between the Chinese traders, local farmers and Chinese Lue farmers that much closer, and is the first step towards building a social network.

There are five Chinese restaurants (family businesses) in Muang Sing, all of which have guest houses set up for the Chinese who come to town on business. Most of the Chinese visiting Muang Sing stay at Chinese guest houses because they provide a smoking room and Chinese cable TV at a cheap price (40,000 kip per night), and they can eat Chinese food. During the watermelon harvesting season, all the Chinese guest houses are full with Chinese watermelon traders from across China. During this period, the restaurants become a place of social interaction, with people sharing information and making connections. They build relationships using card games and mahjong, as every restaurant has a mahjong table. The Chinese traders and restaurants owners always enjoy playing mahjong and sometimes they invite Chinese newcomers, those they have already seen a few times.

4.4 Conclusion

In this chapter, I have explored the expanding cash crop production of cross-border trade in watermelons in Muang Sing, focusing on the ethnic relations and networks used. The watermelon network has been constructed through the weaving together of a variety of sub-networks such as kinship, friendship and business networks, based upon cross-border ethnic and inter-ethnic relations¹². In addition, this chapter has examined what kinds of network work and how these networks have been constructed in order to operate the cross-border watermelon business, a network which includes Chinese traders, local farmers; local and Chinese Lue farmers.

This chapter consisted of three sections. The first section elaborated upon the structure of the watermelon business and its ethnic relations. The watermelon business is quite an individual business as compared with other cash crop production activities in Muang Sing, and people engaged in this business connect with each other through individual links as customers, buyers, traders, truck drivers, farmer/landowners and laborers, using multi-ethnic relations. Such multi-ethnic relations have become more diversified with the advent of the cross-border business and the development of cash crop production activities, and this has led to inter-ethnic relations operating within Laos and also across the border - outside of Laos. The watermelon business; therefore, consists of a variety of ethnic interactions.

In the second section, I focused on the watermelon business's network, one based on diversified ethnic relations and consisting of kinship and ethnic networks, *Guanxi* among the Chinese; friendship networks and business networks. Chinese watermelon business networks, such as the Chinese trader group or buyers and trade operators, have characteristics which are close to friendship - the so-called *Guanxi*. The relationships in these networks; however, are lighter and more flexible than the true *Guanxi* in China. The network between the Chinese traders and local farmers has

¹² Although all ethnic groups in Muang Sing are migrants from other parts of Laos or other countries (see Ch.3), in this thesis, 'inter-ethnic relations' means relations between ethnic groups, those counted as ethnic groups in Muang Sing by the Lao government.

evolved from a business network to a near-friendship network, as a result of the long-term buying and selling of watermelons, the mutual resolution of problems and the sharing of aims. A network can be changeable and flexible, and the networks among the local farmers are based on kinship and ethnic. Since the early times, people in Laos have farmed within the family; therefore, kinship networks are the natural state. Ethnic networks are characterized by the borrowing and lending of land. The Akha network made up of employment relationships and the borrowing and lending of land with the Chinese Lue farmers, the Chinese traders and the local farmers. This network is a business network that operates on a temporary basis. In addition to this, another thing which promotes the development of ethnic networks in the watermelon business is the five year cultivation cycle, a system that promotes land being rented between different ethnic groups and across neighboring villages.

The Chinese traders in Muang Sing are very friendly, and have constructed a network with the locals through the sharing of their social lives - drinking and going on holiday with the locals, as well as by exchanging information and helping one another.

Muang Sing is a multi-ethnic place where a number of ethnic groups live side-by-side, and the ethnic relations there have diversified as a result of the Han influx into Muang Sing and with the recent development of cross-border cash crop production activities, with inter-ethnic and cross-border relations strengthening. Such diverse ethnic relations have transformed the networks which operate the production and trade of cash crops, due to the varying conditions among the ethnic groups. There are now kinship networks, ethnic networks and *Guanxi* networks among the Chinese, as well as friendship networks and business networks, and such networks are based upon employment relations and the lending of land as a result of the cash crop production activities. These relationships have deepened as a result of the cultivation of watermelons, as together the different groups can resolve problems, drink, eat and go out. They cherish their relationships within the same ethnic group, but tend to make relationships with the other groups in order to conduct business. These networks have been constructed beyond national and ethnic boundaries with a common aim: to

make money, and such networks form the basis of capital generation and have energized the exchanges among ethnic groups in Muang Sing, more so than before. In the next chapter, I will elaborate upon the livelihoods formed and social capital used by people engaged in the watermelon business, based on domestic and cross-border ethnic relations.
