Living with four polities
States and cross-border flows in the Myanmar-Thailand borderland
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Chapter 2

State Configurations and Resource Control:
An Historical Perspective

The control of populations, resources, and the trade of commodities by state and non-state actors illustrate how different configurations of political powers over time have shaped human mobility and trade patterns, including the jurisdiction of international borders in modern times. The frontiers of Shan State have accommodated states, local elites, and powerful figures who have vied for power with varying strategies under different regimes of spatial control, while local populations have sought methods with which to contest such dominance. This chapter looks at the management and control of resources in Burma by various political powers, especially along the peripheries between southern Shan State and northwest Thailand within three different time periods: 1) Prior to and during the British colonization of Burma (1824–1948); 2) Post-independence Burma to the period of heightened ethnic civil wars; and 3) Following the establishment of an official checkpoint on the Thai side of the border in 1996. I argue that the political powers’ claiming of resources and persistent exertion of control over trades of particular commodities were ongoing in Burma’s frontiers from the country’s pre-colonial period to the colonial era in the mid-19th century. People living fixed in place succeeded in turning into mobile long-distance traders, which supported the mobility and exchange of commodities afterward.

In Burma’s post-independence period since 1948, and at the same time as the creation of the modern nation-state, the frontier around Shan State devolved into disorder and turmoil due to a proliferation of ethnic insurgencies, often led by frontier regimes based in areas where absolute control by dominant states or actors had never existed. Humans and commodities became increasingly mobile due to the heightened demand for supplies in the conflicted frontiers. Spatial control under the border regime came to being in 1996 following the establishment of a border checkpoint with enforcement of modern regulations on the Thai side. To reiterate, different regimes of structural control on resources within a more than century-long period have influenced rules and regulations implemented on cross-border trade in the present era. This has palpably encouraged communities in the borderlands to avoid or subvert such control to suit their aims. As Ludden argues (2003, p. 1063), the intersection of spatial control over resources and people’s mobility results in various possible consequences, for example, conflict over interests, expansion of commercial activities, and commodity production.
In the political economy of Burma and Thailand’s frontiers, particular commodities have played a critical role, whereas others have lost their significant values and social statuses. They have changed their meanings over time, due to state and non-state actor’s involvements and interventions (Turner, 2010; 2013; Ma, 2014). By studying the mobility of humans through different state configurations for controlling resources and trades of commodities, I consider commodities as actors that create social lives (Appadurai, 1986). Such an analytical lens reveals that different types of commodities unequally come to engender meanings, values, and social statuses that have subsequently encouraged state and non-state actors’ attempts to control such commodities and subjects within their political spatiality. The state’s strategies have also influenced the actions of remaining subjects within its political territories who must also protect their resources, leading to the state’s proactive and reactive responses affected by human mobility and transaction of commodities (Ludden, 2003, pp. 1062–1063). This chapter therefore traces how particular commodities’ status and their social meanings have changed and transformed over time. From the traditional kingdom period to the colonial era, the trade of certain commodities changed from being free of regulations to being monopolized by the state. The same commodities become more significant according to the political powers’ changing economic and political interests. Consequently, their transformed social statuses and meanings have accordingly shaped human mobility and trade flows.

Prior to and during the British colonization of Burma

Prior to the period of complete British colonization in Burma in 1884, the rulers of traditional kingdoms exercised their power through the control of populations and resources. Along the frontiers, the states did not constitute their power through boundary-making. This resonates with the frontiers of the Sino-Vietnamese borders (Turner, 2010) and the Sino-Burmese borders (Ma, 2014). Significant commodities during this period were tributes exchanged between rulers within the political geopolitics of ‘mandala’—a traditional kingdom system in lowland Southeast Asia characterized by administrative segments of hierarchical polities (Tambiah, 1976). Tribute-gifting was the core element, allowing the stronger entities to maintain their power through the weaker ones’ gifting of tributes, essentially asking for protection and other benefits in return (Winichakul, 1994, pp. 82–83). Tributes included such items as objects made of gold, cups, candles, bales of silk, animals, and embroidered pillows. Individuals became part of the mobile convoy of commodities (Crosthwaite, 1912, p. 213) within the areas that were frontiers where ‘peoples’ migrated from different places and had no sense of indigenousness or ties to any kingdoms (Leach, 1960). Yet these people found opportunities to express their
dissidence against increasing state power through tactics of avoidance, which included increasing the size of their own populations, creating new technologies, spatially expanding commerce, and practicing commercial agriculture (Adas, 1981). Meanwhile, highlanders of different groups avoided being dominated by lowlanders, particularly by fleeing to the dominant power’s peripheries (Scott, 2009). Another method to subvert the control of the highlanders was to temporarily shift their livelihood strategies from being focused on agricultural cultivation to long-distance trading (Adas, 1981), especially among the Karen and the Yunnanese Chinese (Tagliacozzo, 2004, p. 373). Long-distance trade offered an opportunity for vagabond subjects to be more mobile by traveling far distances from their localities. Echoing Ludden’s argument (2003, pp. 1062–1063), the intersection of state territorialization and mobility in Asia’s long history shows that states aiming to control resources led to the creation of strategies to manage and divide physical terrains. Many people on the ground became mobile as a method allowing them to be unrestrained by terrain, while those who remained within the spatial territory sought other ways to protect their resources for survival.

During the pre-colonial period, people’s mobility was highly visible as they traveled far from their origins in the frontiers. The ox-cart caravan trade was one method for the Shan to be mobile and eventually settle in the frontiers of Siam (as Thailand was known at that time) and other main townships situated along key trading routes (Sao Saimong Mangrai, 1965, p. 8; Chuchart, 1989; Sethakul, 1989, pp. 58–66; Pawakapan, 1995). The Shan did not participate year-round in the ox-cart trade, but rather seasonally after the rice harvest season was completed, following the example of the Yunnanese Chinese who were the pioneers of this trade (Vatikiotis, 1984, pp. 91–92; Hill, 1998; Berlie, 2000; Forbes & Henley 1997b; Ongsakul, 2005, pp. 234–235). This was also an opportunity for them to interact with other groups, including those living in upland areas (Toyota, 2000, p. 206), and exchange their products with inhabitants of other localities (Wilson & Hanks, 1985, p. 59). Although the leaders of traditional kingdoms attempted to control their populations, people managed to devise means to avoid being fixed in one place. They traveled afar to other kingdoms without strict regulations, and also transformed the frontiers to marketplaces for goods non-native to their localities, at the same time forging relationships with other groups.

Commodities as political elites’ source of income

The linkage of the state’s control of resources with commodities’ social values and statuses implicitly engendered human mobility as a consequence. For instance, the Shan who were forcibly moved to Siam as war captives as well as those who moved voluntarily as traders,
miners, and monks became important sources of labor in northern Thailand when the British expanded their teak interests into the Siamese kingdom (Walker, 2014, pp. 561–562). The advent of British colonialism in the Shan states in 1886 introduced the concept of ‘precise political frontiers,’ and was affiliated with notions of ‘sovereignty’—imagined territorialization manifested in concrete forms of boundary demarcation and the mapping of frontiers, including through natural features like rivers and seas (Sao Saimong Mangrai, 1965, pp. 92–94; Winichakul, 1994; Tagliacozzo, 2005, pp. 37–42; Sai Aung Tun, 2009, pp. 141–149). The relations between central powers and frontiers became more intimate, due to the centralized power constituted by the British colonizers (Adas, 1981). However, the princely chiefs or saopha, of each Shan state, also constituted significant powers, either balancing or contesting the colonizers through the management and extraction of resources (Adas, 1981). Certain commodities symbolized the rulers’ power through forms of monopolization and policies to claim resulting benefits, as in the following examples.

The British colonial government managed local resources such as teak—a rather lucrative commodity among the resource-rich frontiers of the majority-Shan, Karen, Karenni, and Mon areas of the country. At the same time, the Shan princes attempted to expand their influence to teak-rich zones (Hengsuwan, 2012, pp. 68–95). At local levels, in processing raw timber into half-finished products, logging companies and Shan saopha were leading this business. They paid income to the British government as tariffs upon having permission granted from the colonizers (Scott & Hardiman, 1900, part 1, vol. 1, p. 312; Sargent, 1994, p. 49). During the British colonial era, teak as a natural resource constituted and helped maintain the hierarchical relationship between the colonizers and the colonized, aligned with the tradition of tribute-gifting.

In another instance, the British permitted opium to be grown in different areas of the Shan states, but regulated it with laissez-faire production and consumption policies to serve global markets (Maule, 1992). This lucrative business created considerable income for Shan saopha who were able to export opium to other kingdoms, such as Siam, and as tributes to balance the powers of the British (McCoy, 1972, p. 71; Maule, 1992; Lintner, 2000, pp. 4–5), and for their own consumption (Maule, 1992, p. 14; Lintner, 1999 [1994], p. 62). From the pre-colonial to the colonial period, the social status of opium in Burma was transformed from a legal into a regulated commodity by the British, who did not implement their policy consistently throughout the Federation of Shan States. This regulation was enforced only in cis-Salween states (areas primarily situated in northern Shan states), whereas trans-Salween states situated in the south—areas with the capacity to produce opium to serve domestic demand and Asian countries’ markets—were not regulated. Opium subsequently became a smuggled commodity in the illicit
drug trade, particularly via export to the Siamese borders (McCoy, 1972, pp. 71–72; Maule, 1992; Ehlers, 2001 [1894]; Tagliacozzo, 2005, p. 4).

In the Burma-Thailand borderlands during the pre-colonial period, tributes typically consisted of crucial commodities submitted by weak states to stronger ones according to the traditional mandala system. Long-distance traders changed from being serfs in a feudal system into freelance traders with more liberty to travel. During the British colonial era, the state had the prime objective of centralizing the frontiers through the control of resources (see Ma, 2014, with a similar claim). Teak and opium remained important commodities for paying tributes to the British colonizers by the Shan chieftains, while also being traded locally and globally to generate income for elites. In the next period, following Burma’s independence, local political elites emerged and became involved in ruling the frontiers and claiming resources, even as the central authority attempted to extend its power toward the frontiers.

**Burma’s post-independence to the period of ethnic civil wars**

The period following Burma’s independence from the British Empire in 1948 contains explicit illustrations of the use of increasingly concretized boundary-setting as a strategic technique of nation-state building. However, the peripheries of Shan State remained under the predominant control of frontier regimes due to disagreements that led to armed conflict between the central Burmese regime and multiple ethnic rebel groups. In 1962, a coup led by General Ne Win took place in central Burma. Soon after, several assemblages representing the country’s various ethnic groups began preparing to take up arms against the regime after it reneged on its promise to grant autonomy to ethnic populations residing along the frontiers. The Burmese regime dispatched its units under the Burma Army to fight against these movements. In southern Shan State, key rebel groups included the Kuomintang, Shan, Pa-o, Lahu, and Wa, as well as the Communist Party of Burma, while the Burma Army acted as state and constituted its power more forcefully than the centralized government (Selth, 2015; Steinberg, 2015b). Prominent ethnic elites of this period often became the leaders of armed groups purporting to represent their ethnic areas, effectively transforming the frontiers into ‘states within a state.’ They constituted autonomy and expressed resistance against the central power (Adas, 1981; McConnell, 2011) through the use of guerrilla units and the establishment of informal tax systems to finance their endeavors. Humans and commodities began moving due to forced militarized migration, as well as the demand of populations in localities seeking supplies from traders in Shan State and Thailand.
State-like actors, particularly armed ethnic groups depending on transactions of certain commodities to fulfill their purposes, primarily used opium and teak as mediums of exchange and sources of funds in their insurgencies against the central Burmese government. Following the Kuomintang’s invasion of Shan State in 1950, many of the local areas that had long cultivated opium on a small-scale as part of their subsistence economies increased the size of their opium plantations to sustain the rebel operations. This circumstance also broadened opportunities for Yunnanese opium smugglers to expand the illicit cross-border drug trade (Sai Aung Tun, 2009, pp. 305, 312). Following the 1962 coup of General Ne Win, the Burma Army dispatched its armies to fight against the ethnic groups, with the Army units becoming involved in the drugs trade as well (McCoy, 1999; Grundy-Warr, 2001). This coincided with the rise of the notorious drug warlords Lo Hsing Han in the Kokang region of Shan State, and the half-Shan, half-Chinese Khun Sa. Both eventually came to dominate opium production and the drug trade based in Shan State for decades to come. Opium trading became more lucrative, with an economic value that could be used by ethnic armed groups to barter for weapons. The increased demand and value encouraged even small-scale family farmers to begin cultivating opium alongside their staple crops for use in exchanging for other commodities (McCoy, 1972, pp. 90–91; Chao Tzang Yawnghwe, 1993, p. 311; Sai Aung Tun, 2009, p. 309; Amporn, 2015, p. 145).

During the most intense period of fighting between the Burma Army and the ethnic groups in the 1970s and 80s, Thailand’s central and local governments came to consider the frontiers sensitive, leading to the deployment of multiple militarized and semi-civilian state agencies to operate in the frontiers. The Thai government permitted ethnic rebels to create buffer zones in proximity to the Thai borders to protect its territories from Communism, which was seen as a threat to the country’s democracy and independence in the 1960s and 70s, and from attacks from the Burma Army during the 1980s and 90s. Concomitantly with the increasing ease of access and ability to extract frontier resources, the border-based logging industry increased significantly after logging concessions were banned in Thailand’s own forests. The logging trade between Thai businessmen and ethnic insurgency groups expanded tremendously due to the ethnic militants’ need for income with which to fund their struggle against the Burma Army.

Because the border-based logging industry was not officially registered or overseen by the Thai government, it is impossible for researchers to determine the number of Thai logging companies whose executives had business dealings with ethnic insurgents based in southern
Shan State.\textsuperscript{1} According to Yod-Ying-Yuad (n.d., pp. 40–50), the mid-1980s was the initial period that the Thai logging companies started their activities in virgin forests along the Burmese border in Mae Hong Son province, whereas about 20 middlemen conducted the business on the large firms’ behalf by traveling inside Shan State.\textsuperscript{2} They depended on limited technological tools and elephants to carry logs out of the forests. Companies that were granted concessions consequently paved roads to access thick jungles with 10-wheeled trucks. They monopolized the use of the road for their own business, while traders either required good connections with the logging companies or had to clandestinely travel the roads without permission.

From the late 1980s to the early 1990s, teak in forest zones with close proximity to the border became scarce due to heavy exploitation. The aggressive stripping of the forests was facilitated by General Chatchai Choonhavan, the Thai prime minister who signed an agreement with Burmese military leaders allowing for the creation of approximately 20 additional large logging companies backed by top-ranking Thai military officers. This ‘second wave’ of logging companies entered the dense border forests with more advanced technologies such as larger trucks and tractors, as well as greater human resources and nearly 200 elephants. The teak logging business during this period drew representatives of both local and centralized state powers to attempt to control the frontier resources (see Wadley & Eilenberg, 2005, for a similar situation in Indonesia’s frontier). Meanwhile, the efforts of non-state elites at the border did more than state-led development and investment projects to improve infrastructure and facilitate road construction. These non-state elites financed the projects themselves to monopolize the use of infrastructure leading to absolute resource control.

In this economic environment and rush for resources, people from other northern Thai provinces such as Chiang Mai and Lampang sought to participate in the business through employment with the largest logging firms. Some became truck drivers, while many were brought to monitor the number of trees being transported to the Thai border. While Thai settlement in proximity to the violent frontiers was driven by the economic lure of the logging business, flows of the Shan and other ethnic groups from Burma to the frontiers were spurred primarily by the

\begin{itemize}
\item \textsuperscript{1} During my fieldwork in 2012 and 2013, I visited the Mae Hong Son Forestry Department several times with an aim to obtain such statistics. However, the paper-based records related to logging concessions were not archived systematically. Additionally, the Mae Hong Son Governor’s Office did not begin digitizing official documents until 2005. Therefore, I gained data through interviews with a forestry official who was in charge of the Mae Hong Son Provincial Forestry Conservation Division. This official published a book on the illegal logging business in the Salween River zones under a pseudonym. This book is listed under ‘Yod-Ying-Yuad’ in the reference section.

\item \textsuperscript{2} Interview with Ai Wut on September 18, 2012. He is originally from Lamphun province and a former employee of the ‘Thai Pong’ logging company in Mae Hong Son province.
\end{itemize}
forces of political conflict. A considerable number of civilians of various ethnicities whose
villages and farms were destroyed and confiscated during invasions and attacks of the Burma
Army moved either voluntarily or forcibly to join the ethno-nationalist movements seeking self-
autonomy.³

During this period, state-like entities emerged in the form of leaders of ethnic rebel
movements who gained financial support to defend their populations and territories from the
centralized Burmese regime. Warlords such as Khun Sa also performed certain functions of state
officials. Khun Sa established his own guerilla units with drafted men. Apart from human flows
driven by factors related to politics, trade flows of particular commodities significantly aided
these political elites’ ability to control their populations and to benefit from trade across the
frontiers.

**Commodities sustaining livelihoods**

Besides opium and teak as significant commodities used to fund warfare by ethnic armed
groups, certain types of necessary commodities sustained people’s livelihoods during periods of
conflict. As Wen-Ching Chang (2004, p. 486) suggests, the dominance of the drug trade in Shan
State has led to the underestimated importance of other commodities. For example, trade of
cattle, jade, Buddha images, and foodstuffs also played a critical role in the political-scape and
engendered impacts on the border economy. Border elites—both ethnic insurgent leaders and
local Thai officials—participated in informally taxing traders of such commodities for their own
benefit.

Following the legacy of the systematically unregulated economy in Burma, people had
been trading cattle without tax imposition since the British colonial period (Walker, 2014, p.
585), but the trade became significant after informal taxation systems were more rigidly enforced
by ethnic armed groups during the ethnic civil wars of the 1970s through mid-1990s. Long-
distance cattle traders during this period were unable to avoid the informal taxation systems of
warlords and ethnic insurgent movements. Such traders walked animals from inside Shan State,

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³ A collected volume on the Shan State Army’s history authored by Chao Yodsuek, Nipatporn, and
Nualkeaw (2009, pp. 22–23) describes the life of a woman named Bua who is engaged with a logging
business. Bua is from Mông Pan and decides to be trained as a female soldier with the Shan United
Revolution Army (SURA), a faction of the Shan rebel movement established in the early-1980s. After
the merger of SURA with Khun Sa’s Mông Tai Army (MTA) in the mid-1980s (Lintner, 1999 [1994], p. 492),
female soldiers like Bua were forced to work for Khun Sa’s furniture factory in Homông. Bua was
assigned to supervise 90 women to produce wooden furniture under the supervision of two craftsmen
from Thailand.
crossing the Salween River to the Thai border. Each day, approximately 1,000 cows and 700 to 800 buffalo were brought across the border.\(^4\) On the way to the Thai border, animal herders paid from 200 to 500 kyat per animal at posts manned by either Burmese soldiers or ethnic armed groups. In Homöng, they paid the rate of 100 baht per animal as tax, as cattle were considered highly profitable. The herders then walked the animals to an open space in Mae Oo Long village in Shan State where low-capital traders and middlemen on behalf of higher-capital traders on the Thai side negotiated the price of the animals. The middlemen got information or estimated the arrivals of herders and animals beforehand, based on the last transaction they conducted. Both traders and middlemen went up to the village to wait overnight before the herds of animals arrived. Shops, food stalls, and brothels of \textit{mae gai} [Shan: prostitute] were available for those who had traveled far and yearned for rest and recreation while waiting for the animals to reach the cattle market. As soon as the herds reached the border, fierce negotiations immediately began. Those who had arrived at the border earlier gained advantage and were rewarded with animals’ healthy condition and business deals. Once both sides agreed on the price, the animals were walked along unpaved roads, eventually crossing the border into Thailand via pick-up trucks. The Thai authorities also informally taxed heads of cattle, although no border customs office was in official operation.

Sai A, a former cattle trader from Mön Nai, recalled his experience with the cattle trade in 1991:

Other men and I totaling eight people invested in purchasing animals. The largest investors put in a share of 100,000 kyat each. I only added in 60,000 kyat. The highest-share investor naturally took charge of the group. We started out walking about 20 cattle and headed to the Thai border. The number of animals that we brought depended on advanced orders from the Thai side. In those days, it took about seven to ten days to reach the border. After selling all the animals, we considered the profit we made. If we got 20\% to 25\% from what we had invested, it was worthwhile. The profit margin included some other animals we took along, like pigs, chickens, and ducks. If we gained only 10\%, we considered that a loss because we had to give some money to Burmese, Shan, Wa, and other soldiers who had their bases en route. I did this business only three or four times and decided to quit.\(^5\)

The most powerful cattle trader during this period was Kamnan Jai, whose father had been involved in this trade since the British colonial period. His father then migrated from Mön Nai to Mae Hong Son and integrated into Thai society. In the 1960s, Kamnan Jai took over his

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\(^4\) Interview with Ai Wut, in Mae Hong Son town, on September 18, 2012.

\(^5\) Interview with Sai A in Mön Nai, Shan State, on October 20, 2012.
family’s business and boosted the trans-border cattle trade along the Nam Phueng border pass and eventually monopolized the business. In 1993, he expanded his business, having negotiated with different insurgent groups on the condition that he would improve the unpaved road from the Thai side to the end of the Salween River’s eastern bank. The insurgent groups’ leaders agreed to cooperate, as they believed that decent road conditions would help facilitate the transportation of logs and timber out of Burma and into Thailand. Locals who witnessed the cattle business boom told me that, in one day, approximately 1,000 to 2,000 animals were traded. This success encouraged locals on both sides of the border to participate in the trade as animal herders, middlemen, and animal caretakers. In addition, those owning pick-up trucks took part in transporting animals for Kamnan Jai. The scene of people marching animals along the muddy and unpaved road was a familiar sight for people living near the cattle market.\(^6\) The cattle trade echoed the logging business in that various actors—leaders of armed groups, businessmen, and border elites—took the Thai state’s idea of controlling the border in order to protect its territory, and went further by creating profitable frontiers through the transformation of the border into a myriad of economic opportunities.

During the cattle business boom, long-distance Shan traders began selling food and various homemade items to the militias of guerrilla movements. Several learned how to ride mules, following the Yunnanese pioneers who mastered riding the animals in a convoy across the frontiers. Those Shan living in townships in the upper part of southern Shan State took pick-up trucks to reach Nakong village, where they continued their journey by mule or on foot due to the lack of a paved road. After arriving at Homöng, they resumed their use of motorized vehicles because roads had been built by Thai businesspersons to facilitate teak and timber transportation. These traders did not produce foods or ingredients themselves, but rather purchased local foods and products—such as to nao [Shan: dried beans pressed into a disc shape], dried tofu, fermented tofu, pickled green mustard leaves, shallots, garlic, hand-rolled cheroot cigars, and fermentation materials for brewing alcohol—from homemade producers in different towns located along their routes rather than carrying all goods from the beginning of the journey. They also purchased animals such as chickens, ducks, and pigs when passing through villages and small towns, as these animals were much sought after by militants, their families, and other civilians along the frontiers.

As mentioned earlier, the ethnic militias firmly enforced unofficial taxation on different kinds of commodities. When traders entered the conflict zones, they often had to pay taxes to

\(^6\) Interview with Kamnan Jai in Huay Pha Village, Mae Hong Son province, on January 26, 2013.
the rebels according to their modes of transport, types of commodities, and volume of trade. Notably, female traders using hap [Thai: A carrier with two ends linked with a bamboo yoke] were considered poor and thus exempt from paying taxes because they were not kon ga long [Shan: large-scale trader]. In contrast, those with sufficient capital to employ mules to carry their goods were taxed accordingly. Food and homemade products were taxed at 100 to 200 baht per mule carrying a two-sided bag.\(^7\)

Foods and other goods required for the survival of ethnic armed groups and civilians were also transported from the Thai side to the interior of Shan State. Chang (2009, p. 2013) suggests that prior to 1964, Burmese goods produced in Burma were commonly found, especially wholesale, in Taunggyi. After this period, smuggled goods from Thailand replaced the Burmese merchandise because of the central government’s adoption of socialism as its economic policy following General Ne Win’s coup. Private economic sectors were abruptly closed, shops owned by Chinese were disbanded in order to pave way for state-run enterprises, and national projects were monitored by unskilled soldiers. Civilians lacked necessary goods to consume, resulting in the emergence of underground cross-border trade, smuggling of goods from the Chinese and Thai borders, and black markets arising throughout the entire country (Mya Maung, 1964; 1989; Fink, 2001, pp. 32–33; Chang, 2011; 2014a; 2014b; Brown, 2013, pp. 165–166). The Yunnanese long-distance traders then turned the Burma-Thailand frontiers into a center of smuggled goods and transnational trade (Chang, 2009, p. 568). They traveled to the Thai border to obtain Thai products, and this type of trade came to be an important part of Burma’s economy. Until the mid-1980s, mule caravans were a major means of smuggling goods from Thailand into Shan State. Thai consumer products were estimated to comprise approximately 70% of Burma’s smuggled economy (Chang, 2013; 2014b). Shan long-distance traders followed suit, traveling to Mae Hong Son to purchase consumer products to sell in Shan State. Long-term Shan migrants in Thailand, or descendants of immigrant parents, also participated in this trade boom. Some drove pick-up trucks to sell Thai products to Khun Sa’s soldiers before heading to Taunggyi.

The years 1988 and 1989 constituted the period in which Thailand’s different defense agencies and territorial protection authorities were dispatched to set up their bases along the Burma-Thailand frontiers. One objective was the improvement of roads following the provision of logging concessions. The Mae Hong Son government allowed border-crossing vehicles from both sides to cross the frontier between Mae Hong Son and Homông as long as they procured

\(^7\) Interviews with Chao Wan-ooh and some female traders. More details are also described in Lertchavalitsakul (2015).
specially-produced black license plates, enabling pick-up truck drivers to provide convenient transport to travelers crossing the border. If the traders on the Thai side desired to go further than Homông, they had to switch to trucks with Burmese license plates. This was considered the first attempt of local Thai authorities to set regulations for vehicles to cross the border into Shan State. On one hand, it aimed to control border affairs; on the other, the regulation was instituted in the context of the disordered and chaotic economy of the frontier supporting insurgencies in Shan State.

Watthani, a woman in her 60s, was one of the Thai-born Shan traders who conducted cross-border business at that time. She lived in a village near the Thai border, and the proximity of the conflict zones turned potential danger into economic opportunities. The Burmese kyat was very strong then, and she made income by selling Thai products demanded by consumers on the Shan State side. She reflects, “Most of the Thai commodities sold very well, especially *mama* [Thai: generic term for instant noodles]. On the Thai side, we bought the noodles at two baht per pack, but just over the border we sold each pack for 18 baht.”

As Jennifer Bair (2009, p. 16) argues, market forces and the demand of consumers for particular commodities reflect a dimension of a product’s consumption, which can change immensely in terms of value or price. For example, perishable commodities such as fruits and vegetables can increase or decrease in value or price due to the mode of their distribution, which involves transportation across long distances and aspects of place and time. In a similar vein, Tina Harris (2013) suggests that distance between sites of production and consumption increases the value of such commodities, and is influenced by the modes of travel and infrastructure used by the traders. In the case of the Thai instant noodles, although the distance between Burma and Thailand’s frontiers was not a significant factor in increasing the commodity’s value and price, the climate on the consumption side was sufficiently variable to increase the value, since Khun Sa and his guerrillas could not produce such commodities themselves and had high demand for food and goods throughout the conflict period.

**Commodities smuggled through underground trade**

During the same period of civil war in Burma, demand for exotic and highly-prized commodities, such as Buddha images and temple antiquities, grew on the Thai side. Cattle traders and herders who were able to accumulate capital had opportunities to search for such valuable Buddhist items. During the period between World War II and Thailand’s economic

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8 Interview with Watthani on September 17, 2012, in Mae Hong Son town.
boom in the 1980s, Shan traders in Mae Hong Son traveled to Shan State in order to recruit Shan craftsmen and carpenters to build temples, stupas, and Buddha images in Thailand without immigration control (Pawakapan, 2000; 2006), and Buddhist items were traded without official state control. Prasit, who ventured in the Buddha image trade from 1974 to 1977, explains that the demand for such commodities originated from a prominent art gallery named Chiang Mai Art whose proprietor sought Buddha images, temple artifacts like Naga-figures from Buddhist mythology, and other antiquities to sell to tourists from Western countries. In addition, five to six well-off traders in Mae Hong Son hired middlemen to conduct transactions on their behalf, with about 10 lower-capital traders purchasing commodities directly from traders from Shan State at the transaction spot. High-capital traders on the Thai side placed orders with deposits of up to one million baht, while traders with lower cash reserves typically invested about 200,000–300,000 baht each. Apart from private individual and family collections, traders also bought commodities from monks and looted from abandoned temples. Eventually, high demand from Thais and visitors to Thailand resulted in a scarcity of Buddha images and other antiquities in Shan temples.

The materials from which Buddha images were made influenced the amount of tax traders were charged by political elites. When traders traveled into Homông on their way to the border areas, Khun Sa and SSA’s joint tax collectors charged about 20 to 30 percent of the speculated price of Buddha images made of marble, bronze, and resin. There were two primary sites of so-called talat pra [Thai: Buddha image market]. One was in Monna village, situated in an area jointly controlled by Khun Sa and the SSA. The other, called Na-on, was in Karenni controlled territory. At that time, the price for an antique Buddha image ranged from 5,000 to 7,000 baht at the border market. Such an item could then be sold for more than 12,000 baht in Chiang Mai. Traders on the Thai side paid traders on the Shan side with Burmese kyat so that the latter could use this currency to seek commodities for advanced orders when returning to Shan State.

During the negotiations and transactions at the Buddha markets, an Indian money changer was consistently present on the days that the traders from the Shan State side would arrive. The money changer sold kyat to the Thai traders as a deposit for the advance orders for traders on the Shan State side. After negotiations and deals were completed, people carried Buddha images by foot to the paved road, transferring them into a pick-up truck arranged by

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9 Interview with Prasit in Mae Hong Son town on November 28, 2012.

10 Interview with Chao Wan-oo, in Khahan village, on January, 19, 2013; and Mirante (1993, pp. 21–23).
traders on the Thai side for further transport to shops or dealers in Chiang Mai province. During this process, Thai officers at the border would informally tax the traders according to the selling price. The actual amount would not be levied, since this was an open opportunity for officers to take a share of the trade without official records. Such payments could be considered bribes.

The Buddha image trade along the border came to an end in the mid-1980s due to the shortage of items from Shan State. Prasit revealed that his parents-in-law, who were also involved in this trade, went bankrupt after placing advanced orders with large deposits with long-distance traders who absconded. At the same time, the trade in Buddha images was tarnished after certain traders on the Shan State side were found to have been hiding heroin inside the images in order to smuggle it along the trade routes to Thai drug dealers. The emergence and decline of the trade in Buddha images and antiquities reflected the lack of control and regulations of both the Thai and Burmese state markets. Although the market forces originated in Thailand, and Thai businessmen made large profits from it, the informal taxing system of this trade on the Shan side functioned such that the revenues gained from the trade supported Khun Sa’s ability to sustain his political units against the centralized Burmese authority, as well as the frontier’s economy.

Carried together with Buddha images, long-distance traders on the Shan State occasionally sold precious stones such as jade, rubies, and diamonds free from the central Burmese state’s regulations. According to Chang’s studies (2004; 2011; 2014a) on the jade trade among the Yunnanese, traders traveled routes from Kachin State and northern Shan State by truck to Taunggyi, then changed to muleteers, passing through Kengtung to enter Thailand through Mae Sai district, Chiang Rai province. Chang (2004, pp. 494–495) mentions that Khun Sa participated in the jade business based in Ban Hin Taek, Chiang Rai province, while his SURA rebel movement was stationed there. The jade trade became increasingly prosperous, and in the 1970s traders opened new routes to the Thai border in Chiang Mai and Mae Hong Son provinces. En route to Mae Hong Son, they used Ban Rak Thai village—a predominantly Yunannese Chinese village where the Kuomintang was based—to reach the Thai border.

Diamonds, rubies, and sapphires were traded by long-distance traders carrying them directly from mines to the Thai border, especially in the border town of Mae Sai in Chiang Rai. The gem market in Mae Sai was well-structured with approximately 200 traders from inside Burma traveling daily to sell their stones (Chantrawarin, 2015, chapter 3). This differed from the context of the gem trade at my research site, where no formal gem traders or transactions of...
such commodities were conducted systematically. Sai Ong Tun has past experience mining for diamonds in a well-known mine in Shan State’s Mōng Hsu:

Many people went there. I went there with five or six of my peers. We did not take any equipment along as it was too heavy to carry it for the long distance. We rented tools from other miners, and we had to pay fees to some guerrillas from the Wa, Shan, and Pa-O groups in exchange for permission to dig for diamonds. I stayed for one week and slept in a tent nearby the mine, but many people stayed there for years. One time, I found around 10 big stones and some small-size flakes. I put them in an energy drink bottle to disguise them from people’s sight. Then I traveled to Taunggyi to sell the diamonds, but the shops’ proprietors there gave me very low prices. I also sold diamond flakes from a bottle when traveling to Mae Hong Son. One bottle was worth around 20,000 to 30,000 kyat. After selling them, I earned around ten times of this amount.12

Despite the lack of central state control in Burma, ethnic armed groups established rules to manage the operations of gemstone miners (Chang, 2014a, chapters 2, 3, 7). As evidenced from Sai Ong Tun’s anecdote, those who ventured in this trade were required to pay fees to get permission to enter mines. And if they wanted to sell precious stones in Mae Hong Son, they had to declare this commodity when entering Homöng at the jointly-operated tax collection site of Khun Sa and SSA, where personnel taxed at 5% of the speculated sales price. Traders normally went to jewelry or antique shops in town and made offers to the proprietors of the shops. Negotiations ensued, in which shop proprietors often attempted to reduce the price to the point where Shan traders would often give up on selling the stones in Thailand.

Whereas diamonds on the Thai side were traded for money, on the Shan State side they were used for bartering. Mae Tao Son, 65 years old, occasionally traveled from her village of Nakong to Mōng Hsu to sell vegetables to the miners. Having no cash, the miners exchanged their diamond flakes for her produce. She would then travel to Mae Hong Son in order to sell the diamond flakes in town. If they were of good quality, she could earn about 3,000 to 4,000 baht.13 The exchange of diamond flakes for vegetables is an example of bartering occurring in a commodity exchange when one party lacks money as an asset (Humphrey & Hugh-Jones, 1992; Humphrey, 2000). Although the value of diamond flakes was much higher than her vegetables, the exchange of two objects of unequal value was considered reasonable by both parties. As Carolyn Nordstrom (2004, p. 93) argues, during turbulent times, luxuries like gems, as well as mundane commodities, can become exchangeable in equivalence and be traded for hard

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12 Interview with Sai Ong Tun in Mae Hong Son town on December 27, 2014.

13 Interview with Mae Tao Son in Nakong village, Shan State, in May 2014.
currency. Such exchanges are possible in exceptional situations, such as during Burma’s socio-economic backdrop following the 1962 coup.

_Money as symbolic of state sovereignty_

The use of money and currencies illustrates the relationship between the social status of commodities and economic sovereignty (Carruthers & Espeland, 2002). Lacking clear evidence, it appears that those in southern Shan State, particularly in areas on the Salween’s eastern bank controlled by Khun Sa since the mid-1970s, used Thai baht as their primary currency for everyday transactions. Since then, the Thai baht subsequently became the primary and preferable currency in the Homöng area after Khun Sa relocated his stronghold there in 1983, and it remains so today. The fluctuation of exchange rates between Thai baht and Burmese kyat in Mae Hong Son town depended on rates set in larger market towns such as Mae Sot, Tak province, and Mae Sai, Chiang Rai province.¹⁴ The dominance of baht over kyat occurred together with the relative strengths and weaknesses of values between the two currencies, particularly after the demonetization of Burmese banknotes by the military government in the 1980s, an effort attempting to crackdown on black market operators (Mya Maung, 1989, p. 282; Smith, 1999 [1991], pp. 25–26; Fink, 2001, p. 32; Brown, 2013, p. 166) that adversely affected Burmese civilians uninvolved in black market dealings who held such banknotes (Scott, 2013; Chang, 2014a, chapter 2).

The fluctuation of exchange rates also cost traders on the Thai side some of their benefits from cross-border trade. Oraphan, a female long-distance trader from the Thai side, started driving a pick-up truck to Homöng and on to Taunggyi following the boom of underground trade across the border. As a daughter of a Yunnanese father and a Shan mother, Orphan had a linguistic advantage in trade: she was able to speak Yunnanese, Shan, Thai, and Burmese, and accordingly managed to conduct business successfully in those languages during her travels from Mae Hong Son all the way to the capital of Shan State. At the beginning of the trade boom, the strength of the kyat helped Orphan’s business succeed. At that time, 100 kyat could be exchanged for 22 baht, compared to the rate in September 2012 (during my fieldwork period), which was 100 kyat for 3.5 to 3.8 baht. As Ian Brown (2013, pp. 198–199) analyzes, Burma suffered through a long-term negative economic situation once it transformed its economic sector to follow the tenets of socialism while decreasing capacity to produce goods and export to international markets, leading to revenue loss and inflation that led to the continual

¹⁴ Interview with one Shan trader on December 18, 2012.
devaluation of the kyat. Once the weakening of the kyat started, Oraphan decided to quit the long-distance trade. She instead started driving a taxi truck for a living on the Thai side only, transporting Shan people and goods from the Thai border to Mae Hong Son town, which she has continued to do until today.\textsuperscript{15} Trade and currency fluctuations during different periods reflect the economic conditions and the failure of the Burmese state in structuring its economy. Under the socialist regime of General Ne Win, Burma’s policies were issued from the central government, whereas ethnic insurgents in the frontiers set their own rules to control cross-border activities, which closely reflected long-distance trade patterns.

In general, from the period after which Burma gained its independence through the period in which ethnic rebels initiated their operations against the central military regime in the 1960s, the control of resources and trade of particular commodities was disorderly and in the hands of multiple social actors. The forces of state policy, specifically the socialist economy initiated by the Burmese government, were effectively counteracted by the underground trade facilitated by long-distance traders across the borders of China and Thailand. This subsequently enabled certain commodities to be traded regulation-free under the frontier regimes, while their social status changed according to the economic and political interests of state and non-state actors. For instance, homemade products from Shan State and manufactured goods from Thailand created new economic patterns of long-distance trading, encouraging people to participate in this economic boom. Opium and teak increased their values beyond economic surplus to become political weapons to support ethnic insurgent movements and the border economy. Teak and timber became facilitators of development by Thai businessmen in terms of road construction and migration of people from other parts of Thailand to its peripheries, and these commodities also made the frontier come to be regarded as economically valuable terrain.

Commodities like opium and diamonds were explicitly exchangeable objects in both monetary and non-monetary transactions, while state and non-state actors benefited from trade flows through illegal taxation. This illustrates the commodities’ function as a medium of barter trade against a rural Burmese backdrop in which the value of money was not appreciated. Buddha images and antiquities brought to the border by Shan cattle herders explicitly shows how religious objects were transformed into economically valuable commodities by forces of Orientalism and the fetishism of the East amidst Thailand’s tourism promotion. Lastly, money and currency use symbolized economic sovereignty that stood in opposition to nation-state boundaries. Nonetheless, these commodities and their statuses mattered for border elites and

\textsuperscript{15} Interview with Oraphan on September 16, 2012, at the Nam Phueng border crossing.
state and non-state actors in the perception and diversification of means to benefit from cross-border flows.

**After the establishment of a Thai border checkpoint in 1996**

In the mid-1990s, the border regime was realized through the attempts of local Thai governments to incorporate modern bureaucracy into its functions. This began in earnest following Khun Sa’s surrender to the Burma Army in January 1996, leading to the establishment of the Nam Phueng checkpoint on the Thai border in July of the same year. On the Shan State side, the Burma Army came into control after neutralizing Khun Sa and negotiating a peace agreement with the WNA. Under the leadership of Maha Ja, the WNA gave its allegiance to the Burmese government, with the government granting the former insurgent group administrative privileges in Homöng (Smith, 1999, pp. 95–96). The WNA, and the family of Maha Ja specifically, became the most powerful of the border elites in southernmost Shan State with the assistance of Burma Army units in some villages and larger towns. Meanwhile, the local Thai government ordered the establishment of official buildings, designations of state (civilian rather than military) authority in creating more formal border controls, and systems to record the personal information of border-crossers. Border control came to be incorporated with the mobility regime in applying a bureaucratic ideology to screen border-crossers at the individual level. However, on the Shan State side, the regime of the frontier remained consistent in that state and state-like actors rather arbitrarily set their own rules to control resources and cross-border trade. Inevitably, the frontier regime of the Shan State side encroached on the Thai side, as the Thai state practices border control differently to one on the Shan State side, as illustrated in Fig. 2.1.

**Figure 2.1: Contemporary regimes of border control.**
Commodities crossing an unstable border

The local Thai government continued to allow traders on both sides to trade, but with the enforcement of more regulations. However, the political climate in Shan State occasionally led to unstable crossing opportunities for merchants to trade particular commodities. For instance, the Thai state allowed some companies and the WNA (hereafter referred to as ‘Maha Ja family,’ see Chapter 1)—successors of Khun Sa—to conduct teak and timber trading. Only five main firms\(^{16}\) were actively operating at this time. The logging business was conducted with increased effort and strain for the companies due to the earlier exploitation of teak in previously fertile forest zones. To access virgin forests, they were forced to go deeper into areas, but this led to more obstacles for tractor operators in transporting logs to the border checkpoint. The companies invested in paving pathways that were previously used primarily for people and animals, and in widening roads to enable trucks and lorries to move logs out of the forest.\(^ {17}\) Business deals were made initially by Thai logging companies who placed orders for timber of different sizes with workers associated with the Maha Ja family, who then proceeded to fill the orders.\(^ {18}\)

The experiences of Nong Aim, who came to be involved in the teak business at age 20, reflect the situation of border-crossing under the mobility regime. Nong Aim faced several controls and was required to report to numerous checkpoints on both sides when crossing the unstable border. She worked for a year counting timber for a logging company in Mae Hong Son. Checking the timber quantities was very important, and two counters accompanied each shipment traveling from Homöong, which was still a wild and dangerous territory in the 1990s. Nong Aim and her work partner started their trip in a company truck from the logging mill on the Thai side in Pang Mu village, about six kilometers from Mae Hong Son town. From there, they drove to the Nam Phueng border checkpoint in order to record their names and leave their Thai ID cards at the immigration post. They then transferred to a vehicle licensed by the Maha

\(^{16}\) The three logging firms discussed in Yod-Ying-Yuad’s book are Thai Utsakagram Venior 999 Co. Ltd., Ska. B Co. Ltd., and SPA Rich Wood Part, Ltd. The first two companies were granted concessions in the forest areas opposite to Mae Sarieng district, while the third was granted concession to the areas connecting to Khun Yuam and Muang Mae Hong Son districts.

\(^{17}\) Interview with Khuensai Jaiyen, editor of Shan Herald Agency for News (S.H.A.N.), in Chiang Mai, Thailand on April 9, 2013.

\(^{18}\) Seven sizes of timber for commercial purposes were sawed as follows: 3x4.5x2 inches, 3x4.5x3 inches, 3x4.5x4 inches, 3x4.5x5 inches, 3x4.5x6 inches, 3x4.5x7 inches, and 3x4.5x7.5 inches. This data was gleaned from an interview with Nong Aim on February 18, 2015.
Living with Four Polities

Ja family. From the border, they drove to Homöng, passing through a number of posts to register themselves in territory controlled by the Maha Ja family.

The first few trips were complicated and time-consuming, as the personnel working at the posts were not familiar with Nong Aim or her partner. During subsequent trips, the checkpoint inspections took significantly less time because the militia members recognized them. Soon after arriving in Homöng and leaving their belongings at a hotel operated by the Maha Ja family, they walked to the northern end of the village where trees were felled and removed from the forest by two elephants. On the way to the location, a Maha Ja family militia member followed her with gun in hand. Upon arrival at the transit spot, Nong Aim and her partner would begin to individually count the logs, after which they crosschecked their numbers. Once their counts matched, they would both go back to the hotel to take a rest. The next morning, they had to recount the timber before all of the wood was loaded onto four-wheel trucks driven to the border. The timber was transported to the Thai border in a convoy of eight to 10 trucks. At the border, all of the timber would be counted once again by Thai officials at the border witnessed by a small crowd consisting of policemen, territory protection officers, soldiers, and villagers. Once the entire quantity was counted and noted, it was recorded by the officials as ‘specially-permitted import goods,’ which meant the timber company must procure a permit from the Thai authorities before moving the shipment into Thailand.

I remember that there were two times that some timbers were missing or mismatched from the order before we were about to leave for the Thai border. The order was for 200 boards of each size, but about 10 to 15 was missing from each. I didn’t know what to do, and immediately made a telephone call to the sawmill’s female proprietor. I explained the situation to her in a loud voice until the Wa militia person lifted his gun and pointed at me from a distance. I was really scared, as that man was standing only two or three meters away, observing me closely. When my boss acknowledged the situation I was facing, she immediately said, ‘Okay, that’s fine. Just start moving and bring all you have just counted down to the wood mill!’

Nong Aim’s experience has been detailed here as it reflects how carefully scrutinized private sphere border-crossing was under the mobility regime. She and her workmate were made to leave their official Thai ID cards at the Thai border to avoid making obvious that they had crossed the border against established immigration laws. Also Nong Aim’s cross-border activities in this period illustrate the semi-legal trade of teak and timber in the yet wild border zones. Teak and timber were in high demand from Thai businessmen, while the Maha Ja family militia earned

19 Interview in Mae Hong Son town on March 12, 2013, and a telephone conversation on May 18, 2015.
sizable income from the still dense forests under their control. By the end of the 1990s, Thailand had implemented stricter regulations, coinciding with new regulations implemented by the Burmese government to impede the logging business between ethnic insurgent leaders and Thai businessmen. One such regulation stipulated that logging business entrepreneurs were required to procure a certificate of origin (CO) issued by the central Burmese government for all such products before removing them from the forests. As a result, more than 10 logging companies were unable to continue their operations after being found guilty of using counterfeit COs.

The trade in teak and timber was considered semi-legal in the border community on the Thai side, as demonstrated by Nong Aim’s story that Thai officials witnessed the transport of timber across the border. Nonetheless, the status of the same commodity seemed to be illegal on the other side of the border, as it was processed by the Maha Ja family militia without official approval from the central Burmese government, nor was it granted exemption from CO documents, as described earlier. In the early 2000s, the Mae Hong Son government began implementing central policies from Bangkok to promote economic cooperation with Myanmar while ending partnership agreements between insurgent groups and the private Thai sector. This approach aligned with the Burmese government’s policy to legalize centralized logging concessions with Thailand. It encouraged high-capital companies to venture their businesses inside Burma and to deal with private Burmese merchants (Lintner, 1995). Presently, teak and timber concessions along the border are suspended due to an agreement between the Burmese and Thai governments, although the Mae Hong Son provincial government modified the ban on teak and wood products in 2009 to allow small wooden products that are intended for personal use or household consumption to be brought in from Myanmar. Implicitly, the state’s function at the border to control the flow of resources has been weakened due to the centralization of the state at the core in both Burma and Thailand. On a practical level, the ceasefire agreements made between the Burmese government and many armed ethnic groups have resulted in less violence and conflict between the parties. The dominance of the centralized state has gradually increased through the state’s cooperation with the leaders of armed ethnic


21 Mae Hong Son’s local government issued a temporary ban on the import of all types of teak following the Ministry of Commerce Order dated May 13, 2003, issued by the Tak provincial authority. Later, the government issued two orders dated on April 17, 2008, which specifically enforced the ban and control of teak and all finished products imported into Mae Hong Son province.

22 Mae Hong Son provincial order dated March 10, 2009 (see more details in the reference section).
groups that had previously claimed the frontier’s resources and informally taxed cross-border traders.

Stricter monitoring of forbidden goods

An additional effect of the mobility regime has been stricter monitoring of the smuggling of opium and other narcotics. These regulations have coincided with the apprehension of Khun Sa and the implementation of a ‘war against drugs’ as a significant policy influencing Thailand’s border affairs with Burma. The policy explicitly impacts the local governments and communities along the border. Traders and truck drivers servicing the route between the border checkpoint and Mae Hong Son town are forced to take the consequences of breaking the policy into consideration. They often warn one another that this commodity trade could ruin their way of earning income due to the eminently possible shutdown of the border if wide-scale drug smuggling were to be discovered. Thai army personnel based at the border checkpoints inspects all travelers’ belongings to ensure that no drugs or other illegal items are carried across the border, although these commodities continue to be smuggled through the forests where no soldiers are on patrol. Poppy fields continue to be cultivated along the border, and many people learn through word-of-mouth that villagers living in areas controlled by Maha Ja family militias and the UWSA still grow poppies to be transported for refining into heroin in the Wa region of Shan State. This information seems to be confirmed by news that the Thai army, in January of 2014 and 2015, discovered a 16-square-kilometer opium plantation in an area only four kilometers from the Thai border. To solve the problem and to uphold the anti-narcotic image of Thailand, 50 Thai army officers invaded and destroyed the plantation prior the harvest season. 23 Although the local Thai government attempts to enforce explicitly rigid regulations aligned with the mobility regime at the border checkpoint, the smuggling of these commodities from Shan State to Thailand via informal routes continues to periodically be reported in the media and by word-of-mouth.

Common consumer items maintaining the border economy

To maintain the economic contributions of the border checkpoints to the central government, the Thai provincial government consistently supports small-scale cross-border trade to continue. Foodstuffs and consumer products are the main commodities to maintain the border economy today, albeit on a much smaller scale following the population decrease since

23 See Manager Online (2014); INN News (2015).
Khun Sa’s surrender to the Burma Army. In the meantime, such items have helped constitute the importance of the local Thai state in enforcing regulations on cross-border flows. On the Shan State side, these commodities support the Maha Ja family’s taxation system imposed on cross-border traders.

Foodstuffs that are traded at present include ingredients and agricultural products, such as onions and garlic, beans, preserved tea leaves, canned meats, dried buffalo and cow skin, sugarcane and palm-sugar cubes, processed noodles, snacks for children, and consumer products transported from China, such as instant coffee, powdered milk, and processed foods. Also traded are products manufactured in Myanmar, such as medicines, local Burmese cosmetics including thanakha [Burmese: facial cream made from ground bark], books, VCDs, and karaoke CDs. Moreover, the Nam Phueng border channel is a gateway for secondhand Japanese trucks and palm oil from Malaysia. The local customs office taxes each truck buyer at 20,000 baht, while the Maha Ja family charges 50,000 baht (S.H.A.N., 2011b). The Mae Hong Son customs chief reports that the volume of trade through the Nam Phueng channel today is largely not profitable in comparison to the volume of trade through the Mae Sai and Mae Sot checkpoints. However, one goal in keeping this border channel open is to maintain trade linkages between communities on both sides of the border who hold strong kinship ties. The main demand for Thai products comes from those living in Homöng areas, including townships and villages in proximity of the Salween River’s western bank.

The economic prosperity of the frontier dwindled in the 2000s as some commodities traded in earlier periods began to diminish and eventually disappeared, especially Buddha images, antiquities, and precious stones. Subsequently, border elites on the Shan State side and state agencies on the Thai side lost their control over flows and the sharing of profits. Cattle herders during this period no longer transported Buddha images. One main reason that the long-distance trade began to cease was that the demand for goods by the large population under Khun Sa came to an end following his surrender to the Burmese government when 12,000 to 18,000 army personnel and civilians returned to their hometowns (Lintner, 1999 [1994], p. 477) or migrated to Thailand. Cross-border trade amidst the economically prosperous frontier gradually reduced to small-scale trade. Traders no longer considered traveling to diamond mines sufficiently worthwhile. Moreover, the tax collection in Homöng on commodities traded in the previous period was replaced by the management of the Maha Ja family. One of the few remaining ways for cross-border traders on both sides to make a living was transporting passengers. The Thai

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24 The head custom officer’s name is kept anonymous. I had conversations with him two times in December 2012 and January 2013 at the Mae Hong Son Customs Office.
baht has remained until today a major currency used in southern Shan State for everyday transactions, which reflects both Khun Sa’s legacy and the instability of the Burmese kyat within border communities.

**Conclusion**

This chapter illustrates the configurations of state and non-state actors in attempting to control populations, resources, and the trade of particular commodities in the borderland of Shan State and Thailand from the pre-colonial period, to the establishment of the border checkpoint on the Thai side in 1996, and more recent developments. I have described the politico-economic repercussions from frontier regime to the border and the mobility regimes. The existence and development of states and state-like entities—including insurgent movements, warlords, and rebellions against the central Burmese state—have immensely impacted people’s mobility and trade patterns. During the first period, in which a mandala polity was present in this region, continuing towards the British colonization era, political elites monopolized two main lucrative commodities of opium and teak. Their statuses diverted along with the shifting economic value attached commodities used to increase the power and wealth of the elites, and as tributes in hierarchical relations, both in the traditional kingdom and in the colonial era. The tribute convoys encouraged the free movement of people, including Shan farmers who voluntarily traveled far from their communities of origin to participate in long-distance trading.

The second key period extends from after Burma’s independence in 1948 to the proliferation of ethnic civil wars in the 1960s to the mid-1990s. During this era, many ethnic armed groups and the most prominent warlord Khun Sa acted as state-like entities that exercised authority over their respective populations in a fashion similar to that of the state. They continually used opium and teak as political tools to fund guerilla warfare. Due to a boom in the teak and timber business, a large number of Thai people from other regions migrated to the frontiers. Against the economic backdrop of Burma initiating its policy of ‘The Burmese Way to Socialism,’ border elites benefited from the emergence of black markets in which commodities such as Buddha images, antiquities, and gemstones from Burma’s side, and foodstuffs and consumer products from the Thai side, were traded freely across the frontiers. The use of various currencies during this period emphasized that sometimes money lacked appropriate asset value, or it engendered less value than staple goods in ordinary economic transactions. Currency use also symbolized the state’s sovereignty, which was not aligned with physical territories. With the introduction of a nationalist-oriented economy, the looting of treasures from Buddhist temples, the emergence of black markets, and underground long-distance trade became
incorporated with people’s mobility as they sought enhanced and more secure living conditions while confronted with a scarcity of basic needs and poor livelihoods. Meanwhile, people’s mobility also occurred through forms of forced militarized migration, subsequently leading to labor migration inherited from flows of militias and long-distance trade.

In the latest period, that following Khun Sa’s surrender to the Burmese government and the establishment of the Nam Phueng border checkpoint in 1996, the emerging border elite was the Maha Ja family on the Shan State side of the border. On the Thai side, state authorities moved toward functioning with a modern nation-state style. The cross-border teak and timber business did not survive due to the shift in politics in Burma’s central government, as well as Thailand’s altered diplomatic stance with the Burmese government. Still, people on both sides of the border continued to be influenced by the trade of commodities controlled by both sides’ political elites and prominent businessmen.

I reiterate that although state and non-state actors in different periods have attempted to control populations, resources, and trades of certain commodities, people have continually developed methods to facilitate their mobility, encouraged by resource flows and the trade of commodities across political boundaries. Furthermore, they continue to cross the border rather freely after the opening of the international border checkpoint, despite facing disorder and uncertainty on both sides of the border. As presented throughout this chapter, political forces have directed cross-border flows, shaping ordinary people’s lives to become increasingly mobile and encouraging their ability to cross national borders.

In Chapter 3, which chronologically relates developments to the borderscape following the establishment of the border checkpoint on the Thai side in 1996, I will elaborate on political elites’ configurations of power as a form of strategic control of the border in order to claim resources and to benefit from cross-border trade. I will show the effect of four structural powers, namely the Burma Army, the Maha Ja family, the Shan rebel movement, and the Thai state, attempting to outwit one another through the imposition of arbitrary rules to control human and commodity flows across the border. As a consequence, border communities on the ground have sought their own ways to outmaneuver these political forces, leading to their success in traversing political boundaries and nation-state borders rather conveniently.