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FROM A SHIJI EPISODE TO THE FORBIDDEN JADE TRADE DURING THE SOCIALIST REGIME IN BURMA

—— Wen-Chin Chang

Shiji is the first book that contains records of the communication between present southwestern China and its neighboring countries. The following passage from Shiji has been frequently quoted and studied by scholars working on this region.

In the first year of Yuanshou (122 B.C.), Zhang Qian, the Bowang marquis, returned from his mission to the land of Daxia (Bactria) and reported that while he was there he had seen cloth produced in Shu and bamboo canes from Qiong. On inquiring how they had arrived in Daxia, he was told, “They came from the land of Shendu (India), which lies some several thousand li west of here. We buy them in the shops of the Shu merchants there.” He was also told that Shendu was situated some 2,000 li west of Qiong. “Daxia, which is situated southwest of our country,” Zhang Qian reported to the emperor with enthusiasm, “is eager to open relations with China and is much distressed that the Xiongnu are blocking the road in between. If we could find a new route from Shu via the land of Shendu, however, we would have a short and convenient way to reach Daxia which would avoid the danger of the northern route.”

The emperor therefore ordered Wang Ranyu, Bo Shichang, Lü Yueren, and others to go on a secret expedition through the region of the southwestern barbarians and on to the west to search for the land of Shendu. When they got as far as Dian, Changqiang, the king of Dian, detained them and sent a party of ten or twelve men to the west to find out the way to Shendu for them. The Chinese party waited over a year, but all the roads to the west had been closed off by the inhabitants of Kunming, so that none of the men who had been sent ahead were able to reach Shendu.¹
This passage underlines a few points of significance. First, transnational economic activities had been going on between southwestern China, Daxia, and Shendu, prior to the knowledge of the powerful Han court. Second, the economic activities were possibly undertaken via a convenient trading route connecting today’s Sichuan, Yunnan, Burma, and India that led to Bactria (in present Afghanistan). Third, on hearing Zhang Qian’s report, the Han emperor Wu gave orders to uncover this trading route in order to secure the expansion of cultural, economic, and political influence. However, the mission
was impeded by local powers and did not succeed. Regional kingdoms remained as uncertain forces in relation to China proper, sometimes serving as subjugated tribute states, at other times as rebellious polities. Turning over this underlined state-centric perspective that is characterized by the rhetoric of Sinocentrism in Shiji, one nevertheless finds the operation of the unofficial connections among regional traders across different political entities.

While conducting fieldwork among the migrant Yunnanese Chinese dispersed in upper Burma and northern Thailand, my mind often moves between different layers of time, connected to people’s migration history and their memories about their ancestors’ movement into Yunnan and their subsequent economic and military explorations. Relevant passages from Shiji have frequently echoed in my mind. They are the earliest written sources for tracing Chinese influence to this ethnically diverse borderland. While Shiji and other historical materials remind me to view my ethnographic findings of Yunnanese transborder engagement from the perspective of the longue durée, the mobility and economic dynamism of migrant Yunnanese suggest the limitations of the state-oriented viewpoint embedded in Chinese imperial historiography, and spur me to go beyond written texts with such a viewpoint.

Using the Shiji passage extracted above as a starting point, I am intrigued by several underlying questions related to the issue of the underground jade trade in Burma during the socialist period (1962–1998). How did the Shu merchants engage in the long-distance trade to Shendu without the involvement of the state regulations issued by the Chinese court? How did they manage to pass through all the countries en route that even the Han empire was unable to gain access to? In other words, how did they interact with the hierarchy of different regional powers? Furthermore, how did they handle capital transference and currency conversion? While the era’s remoteness in time and a lack of sources make it difficult to find answers, I think of the transnational Shu merchants over two thousand years ago and of the Yunnanese jade traders in question, who were confronted with parallel circumstances, and regard the questions raised above as inspiration for the present study.

The concerned jade trade was dominated by migrant Yunnanese traders based in Burma and Thailand. It was a transnational business from Burma to northern Thailand and then to other Chinese societies, mainly Hong Kong and Taiwan, from the 1960s to the mid-1990s, largely during the Burmese socialist period. Such a trade required flexible flows of capital, information, goods, and people. However, to the private sector inside Burma, it was a for-
hidden trade. Not only were there no state regulations to back up the trade, but the official ban entailed forceful restrictions, as well as risks and dangers for participating traders. In response to the external situation, the Yunnanese merchants had to interact with complex power structures consisting of local ethnic militias and Burmese troops and officials. In light of the case of the Shiji and that of the Yunnanese jade trade, the traders then and now all demonstrated marvelous economic agency in the face of similar constraints. The Shiji episode accordingly provides meaningful threads for reflection and comparison.

In addition, the antiquity of the Shiji episode suggests another significant point of reference that draws attention to the double aspects of historical continuity and contingency. The participation of Chinese merchants in commerce in this historical activity space has been persistent in the form of long-distance caravan trade. Especially with the incorporation of the Yunnan province into the territory of the Yuan dynasty (1271–1368 C.E.), and subsequent massive Chinese resettlement to the province throughout the Ming (1368–1644 C.E.) and Qing (1644–1911 C.E.) dynasties, the Chinese (now called Yunnanese Chinese or simply Yunnanese) merchants have played a predominant role in the transboundary trade of the region. On the other hand, they have been constantly shaped and reshaped by changing socio-political contexts. Their economic acumen and risk-taking spirit have interacted with varied challenges emanating from the complex trading environment in terms of its physiography, ethnic structure, and political systems. Their trading history is composed of numerous life and death experiences in the face of the external changes of each period and the severe conditions posed by nature. While focusing on the period of the Burmese socialist regime, one must consider the persistence of the Yunnanese cross-border movement and economic activities.

Bearing in mind the inquiries derived from the Shiji episode on non-state regulations, merchants’ interaction with different political entities en route, and the means of capital flows, the present study looks into Yunnanese migration and resettlement in Burma, Yunnanese interaction with state agents and other ethnic communities, the mining and trading regulations involved, the internal transaction, and the operation of capital flows. Although the focus is on the Burmese socialist period, comparisons are made with relevant economic practices by the Yunnanese in previous times. While my earlier work on the jade trade has centered primarily on Thailand, I turn in this present study to an examination of Burma, with the attempt to shed
light on a significant part of the politico-economy of contemporary Burma which has been much neglected.

In 1962, Burma entered a period of isolation with the authoritarian Ne Win regime. This junta, set up by a military coup, was preceded by a short-lived parliamentary government that had come into power in 1948, after the end of British colonial rule. The Ne Win regime steered the country with the guiding ideology of the “Burmese Way to Socialism.” Its operation was carried out with a series of economic measures to nationalize trade and industry, and was, unfortunately, characterized by gross mismanagement, lack of infrastructure, and policy mistakes. The country quickly fell into a mire of economic recession and suffered from drastic shortages of essential everyday goods.

As a result, the demand for consumer goods by the Burmese people was satisfied by the black market (hmaung-kho) economy with links to the underground border trade. Cattle and products like rice, teak, antiques, hides, ivory, opium, and jade stones were illegally taken to neighboring countries, exiting Burma from areas under the control of rebel groups. In exchange, consumer goods and weapons were smuggled into Burma by mule-driven caravans.8 Ethnic militias financed their expenses by levying taxes on these goods. Most of the goods came from market-oriented Thailand, which emerged as Burma’s main partner in this illegal trade.9

The socialist rule impoverished Burma and aggravated ethnic divisions. The junta was finally toppled in 1988, following a series of nationwide revolts by the people. However, democracy did not ensue; the country is still controlled by a military regime named the State Law and Order Restoration Council (SLORC), which was later renamed the State Peace and Development Council (SPDC), in 1997. Certain changes have been made, including, significantly, the launch of a market economy, although it is one based on capricious policies and inefficient socioeconomic infrastructure. Many former underground businesses and enterprises have turned legal, and the jade trade is among them.

To obtain an insight into the migrant Yunnanese traders’ economic dynamism beyond the restrictions imposed by the state, and also to suspend unnecessary moral judgments on the question of legality, it is necessary to avoid taking a state-dominated perspective. As Kyaw Yin Hlaing has pointed out, a state-centric perspective tends to present Burma as a unitary society and the government as the highest legitimate power.10 According to such a view, traders’ agency exercised in underground trafficking is easily dis-
missed. In addition, it gives the “illegal” transnational trade a criminal image and prevents reflection on a parallel system that operates according to its own set of unofficial rules and links with the daily life of the people.\(^\text{11}\)

What I intend to develop here could be called the mînjîn (popular realm 民間) perspective, which highlights the unofficial connections interacting with and reacting against the state bureaucracy.\(^\text{12}\) The composition of these connections is often diversified; some are founded on personal bases, others on institutional formation. In Burma during the time in question, there existed ethnic forces and a large dissatisfied public. Alliances and struggles coexisted among these unofficial nexuses; their power structures were complex and alternating. It is thus important to discern the intricate relations from the viewpoint of the unofficial order. Seen from this viewpoint, it is also possible to perceive how state agencies were incorporated to a certain degree into the operation of the popular realm, since the government was only one of the power regimes. Therefore, I will explore the Yunnanese jade business in Burma from the people’s perspective rather than that of the state, by delving into the historical contingency that they faced during this particular period, and the historical continuity in Yunnanese commercial skills and spirit in transboundary endeavors.

**Yunnanese Migrants in Transborder Trade**

Cross-border economic ventures have always figured prominently in the lives of the Yunnanese.\(^\text{13}\) Continuity in this engagement is especially notable in Yunnanese border towns. The common Yunnanese proverb qiòng zòu yīfāng jí zòu chāng 窮走夷方急走巖 best describes the situation: when one needed money, one joined the caravan trade and went to areas occupied by “barbarians” (other ethnic groups), or alternatively tried one’s luck in jade or other mineral mines in Burma. Those who were hesitant to take up such ventures were considered timid and often teased by fellow Yunnanese.\(^\text{14}\) According to the interpretation of the culture of migration attributed to Douglas S. Massey et al., transborder movement can be seen as “deeply ingrained into the repertoire of people’s behaviors” in areas bordering Yunnan.\(^\text{15}\) It has even developed as a “rite of passage” to indicate the transition to adulthood among males. From a historical point of view, the continuous flow of Han Chinese to Yunnan and their involvement in long-distance trade constitute a vital part of the long history of the movement of Yunnanese overland.

Among its neighbors, Burma in particular has been the major country that the Yunnanese look to for economic adventures, as well as for political asylum when unrest occurs, due to its physiographical connection with Yun-
The year 1949 witnessed a Yunnanese exodus to Burma on a hitherto unseen scale due to the communist takeover in China. Large immigration flows continued into the 1970s owing to a series of political movements launched in China. Some informants estimated that the Yunnanese refugees who arrived after 1949 together with their descendants account for 80 to 90 percent of all Yunnanese immigrants in Burma today. Without legal permission to stay in the country, most of the Yunnanese refugees settled in the mountain areas of Shan and Kachin states in the early stage.

Among these refugees, a group of stragglers from the Chinese Nationalist (Kuomintang or KMT) armies and local self-defense guards from Yunnan organized themselves into guerrilla forces in early 1950. They established connection with the Chinese Nationalist government, which had retreated to Taiwan in 1949. Many civilian refugees stayed around the KMT troops, seeking protection against the harassment of the Burmese army or ethnic militias. During the 1950s, the KMT forces repeatedly launched guerrilla battles in Yunnan and had military confrontations with the Burmese army, too. These actions, however, compounded the political tension in the region and provoked debates in the United Nations on the legitimacy of the KMT forces. They were then compelled to disband first between 1953 and 1954, and again in 1961; but two armies, code-named the Third and Fifth Armies under the respective leadership of Generals Li and Duan, survived the disbandment, and later entered northern Thailand. Due to subsequent socio-economic instability caused by the Ne Win regime, many civilian Yunnanese followed Li’s and Duan’s armies and escaped to Thailand. (Nevertheless, a much larger number of Yunnanese stayed behind.) These KMT troops helped their fellow refugees establish villages along the border, which functioned as havens for later Yunnanese migrants throughout the 1970s and 1980s.

Informants pointed out that prior to the flight from Yunnan, many KMT soldiers, as well as fellow civilians, had been caravan traders traversing annually to upper Burma. During the guerrilla period, many troops were involved in the drug trade. “The troops were caravan traders and the caravan traders were troops. Both were combined as a unit,” a former KMT official wrote. After entrenching themselves along the border of northern Thailand, the armies of Li and Duan continued to grow in strength, essentially by engaging in transborder trade between Thailand and Burma. They developed spheres of influence in the region by forming alliances with or struggling against other ethnic rebels. Moreover, their commercial acumen, familiarity with Shan State, and the demands of the black-market economy in Burma...
resulted in their predominance in handling the trade throughout the 1960s and 1970s. The armies controlled several major trading routes and played a primary role in the underground circulation of merchandise, people, capital, news, and intelligence. A great number of Yunnanese migrants in northern Thailand and upper Burma were dependent on the KMT forces for movement, resettlement, and armed escort of their trade.

The status of these KMT armies was ambivalent. Seen by the Thai government as buffer forces along the border for the prevention of communist penetration, they took part in quelling the Thai communists, following a request by the government. They were, however, definitely regarded as insurgent groups by the Burmese junta. By the end of the 1970s, due to aging among the troops, the KMT’s power began to decline and was gradually surpassed by another militia, called the Shan United Army, led by the notorious warlord Khun Sa. Most of Khun Sa’s key officers were also Yunnanese, with connections to the KMT armies. Despite the shift in the power structure among the ethnic militias, Thai-Burmese trafficking was basically unaffected; the Yunnanese persisted in their foremost engagement.

Informants often attributed their predominance in the trade to factors related to time, geography, and human reciprocity, and described such conditions with the Chinese expression tiānshí dìlì rén hé 天時地利人和. The Yunnanese migrants were compelled to flee, owing to a series of historical contingencies as mentioned above. Their economic activities in Burma and transnational networks that connected to the KMT troops greatly facilitated their movement. In addition to transnational migration, Yunnanese migrants in Burma also experienced repeated internal movement. An important event was related to the Burmese government’s suppression of the Ka Kwe Ye (KKY) forces that were entrenched in the mountainous areas. The KKY had been officially accepted as auxiliary local defense troops based on a policy promulgated in 1963, but the government decided to wipe out these forces in 1973. The military action simultaneously forced local civilians to leave. An elderly female informant related: “[At that time] mountain areas were not quiet. Government troops came to fight against the rebels. They recruited civilians by force and often burned down villages. We had to run.” Many Yunnanese gradually moved to the cities. Corruption among state officials was rampant at that time because their salaries were meager. By bribing the officials, most Yunnanese obtained the legal status to stay. Their economic power thus expanded to urban areas in upper Burma. This urban expansion when integrated with their knowledge of rural trading routes enabled them to take control of both import-export trafficking
and the redistribution of smuggled goods in upper Burma. Whether internal or transnational, Yunnanese mobility brought about the formation of widespread networks that greatly enhanced their participation in the Burmese black-market economy.

Embedded Regulatory Practices

To ensure the operation of network flows in an environment with diversified ethnic communities and political entities, it has been essential to initiate and implement trading regulations. Andrew Walker, in his research on the recent Economic Quadrangle cooperation of the Upper Mekong area, argues against the popular perception of the borderlands as lawless. His findings lead to the conclusion that the quadrangle is the latest stage in a series of regimes of Upper Mekong regulation, and that “state (and non-state) regulation is intrinsically involved in the creation of the contexts in which markets flourish.”22 The jade trade in question, too, was predicated on a series of regulatory practices that had been developed for several centuries.

Although informative records concerning the Burmese jade business only appeared in the late nineteenth century, when the British colonial government tried to take control of the trade, piecemeal sources point to the popularity of Burmese jade stones among the Chinese several centuries earlier. Historical records indicate that the Ming eunuchs were assigned to Yunnan from the fifteenth century to purchase gemstones, including jadeite, from Burma.23 By the end of this dynasty, the imported volume of Burmese jade was notable. Reflecting the Qing court’s growing passion for this precious stone, demand continued to increase, and the appreciation of Burmese jade gradually spread to the general public.24 In the eighteenth century, great numbers of Yunnanese miners and jade traders flowed into the mining region in upper Burma to seek their fortune.25

The mining and trading of the Burmese jade stones involved a complex power hierarchy that included the indigenous chiefs, the Burmese king, the Chinese officials, the imperial court, and, later, the British colonial government. To ensure its operation in response to the different political parties, the mining and trading of jade was predicated on a series of regulatory practices developed over several centuries. A description of relevant tax regulations appeared in the Burma Gazetteer: Myitkyina District in the early nineteenth century.

The Burmese Collector imposed no tax upon the stone until it was ready to leave Mogaung, when he levied an ad valorem duty of 33 per cent, and
issued a permit. . . . After this the stone passed freely anywhere in Burma without further charge or inspection. The value of jade was determined for purposes of taxation by an official appraiser. . . . The actual duty paid was therefore small and business proceeded smoothly, cases of friction between the traders and the customs officers being of very rare occurrence. All payments were made in bar silver. The metal used was at first fairly pure. . . . Rupees did not come into general use until 1874.

Besides the duty leviable at Mogaung, the stone had to bear certain charges, authorized and unauthorized, at the mines and Namiakyauskseik (Nanyaseik), one day’s journey from the mines: (1) The Burmese officer at the mines imposed a monthly tax of 1 tael (about 4 annas) on everybody who came to trade; from this charge Burmans and actual workers in the mines were exempt; (2) a further sum of 2.5 taels (about 10 annas) was charged for a pass which was issued for each load of jade leaving the mines for Namiakyauskseik; (3) at Namiakyauskseik, 4 taels (about a rupee) was paid on the arrival of every load to an agent of the Mogaung Collector, permanently stationed there.26

Be it under Burmese or British rule, the ownership of the jade mines by the local Kachin chiefs (duwas) was respected and officially recognized. The Burma Gazetteer recorded: “[The rights of the Kachins] appear to have been well under[s]tood and respected. They were regarded as the absolute owners of all the stones produced in their country. This ownership was never directly called in question by the King of Burma.”27 In addition to listing the tax categories, the Burma Gazetteer detailed the duties on excavation, transaction, and gambling, and the tolls on imported food and house tax. Parallel information was also documented by a Chinese officer, Yin Deming, on his expedition to the Kachin mining region in 1929–1930.28 Yin vividly described the mining conditions and methods, and various regulatory practices that he observed. He recorded that most miners he encountered were Yunnanese Han. During each dry season from the tenth month of the lunar calendar to the fourth month of the following year, nearly twenty to thirty thousand Yunnanese worked at the mines. On choosing a spot to work, the mine boss had to pay an amount of money to the local chief to purchase the excavation right; he then marked his right to the place by sticking a piece of bamboo or plant into the land. Between the second and the third months each year, the region received another ten thousand jade dealers from Yunnan.

These regulatory practices ensured the rights of the different parties, and served to maintain order in the region. Even the rights of the mine workers
were protected. Aside from receiving food and board, the miner, on excavating a piece of jade stone, was entitled to half the share of its estimated value. Despite the change in regional politics, these regulations were largely preserved. With the establishment of the parliamentary government, the jade enterprise proceeded without interruption. In 1959, Ne Win forced the local chiefs to resign. However, in the 1960s, local auxiliaries arose and resisted the junta; subsequently, they replaced the traditional authority of original chiefs and supervised the implementation of the mining and trading regulations. Most jade mines were under the control of the Kachin Independence Army (KIA).

The mining methods and living conditions during the socialist period remained as rudimentary as they had been during the colonial period. Yet, in the face of social instability, this venture provided an opportunity and a grand get-rich dream predicated on the possibility of discovering good jade stones. In his autobiography, *Yushi tianming* (Destiny of jade stone), Zhou Jinglun relates his own life story: having become a Yunnanese refugee in upper Burma from 1969, he eventually became a jade miner, a foreman, and then a jade trader. His story combines his understanding of the philosophy underlying Chinese jade culture with the sociopolitical conditions encountered in the mining areas during the socialist regime. The regulatory practices were inclusive and, in general, corresponded to the earlier ones. As Zhou describes,

Anyone who would like to go to the mines had to register first and pay registration fees and passage toll [to the Kachin troops]. The petty traders who imported consumption goods paid business tax. Those who purchased *zhuangtou* (large-sized jade stone with mediocre quality) paid a [smaller amount] of tax. Those who purchased *feicui* (valuable jade with clear green color) paid a [higher amount] of tax. The miners paid labor tax; and the mine bosses the mining tax. Excavated jade was taxed *ad valorem* dues of 10 percent. On payment of each tax, a receipt was given, which also served as a kind of license. Cattle carts, elephants, and motorcars were also taxed. The Kachin rebels thus earned great profits from taxes.

In an interview, Zhou told me that the interaction between the Kachin troops and civilians was generally satisfactory. Though the tax categories were encompassing, the dues were bearable and also negotiable. Moreover, their implementation contributed to the maintenance of law and order in the region. When disputes occurred between mine owners, they would go to the
Kachin officers for arbitration. Nevertheless, on discovering high-quality jade stones, they tried to hide them from the Kachin rebels for fear that they would be confiscated. With regard to the Burmese authority, people deemed it alien. Zhou mentions that the Burmese police and army carried out two routine arrests every year, in which a few hundred people were put in jail. However, the payment of probation money was enough to ensure their freedom. Zhou writes,

A [Burmese] soldier’s monthly salary was about 100 kyat; a [Burmese] policeman’s salary was about 200 kyat. But a jade miner’s board and food amounted to 400 kyat. How could the [Burmese soldiers] and policemen support their family with their meager pay? When catching miners, the Burmese authority was willing to let them go when [their bosses or families] could put up a bail to secure their release. It was also an opportunity for the Burmese officers to be friends with local people.31

Accordingly, the local Burmese authority was integrated into the operation of this underground enterprise. The bribes they received amounted, in fact, to much more than their state salaries. The world of the jade mines reflected complex interactions between the different groups, intertwined with symbiotic and conflicting relations, and this world’s sustenance was predicated on the continuity of regulatory enforcement and observance despite political changes at different times.

Internal Transaction

Regardless of great hardships and dangers, the jade mines continued to attract fortune-seekers annually. Before 1980, the number of Yunnanese jade traders and mine bosses in the mining areas was still small due to the restriction implemented by the local rebel group, the KIA. The Yunnanese had to disguise themselves as Kachin or Shan in order to obtain permission to enter the areas. Nevertheless, after 1980, the KIA relaxed its control, and increasing numbers of Yunnanese arrived to venture into the business. They gradually became the majority. However, whether it was before or after 1980, informants claim that outside the mining areas, the jade trade was dominated by male Yunnanese operators with their well-organized networks and knowledge of the trade that enabled them to get around the state laws of Burma and Thailand, and to compete among themselves, and also against other ethnic traders. The extension of the trade to Thailand was nearly monopolized by Yunnanese traders, and made it primarily a Yunnanese ethnic enterprise. Nevertheless, the Yunnanese had to rely on the assistance of local
people in transactions that took place in Burma. Unlike the situation in Thailand, where there were jade companies that helped to store sellers’ stones and arrange deals between sellers and buyers, all transactions in Burma were dependent on personal arrangement—local people primarily took up this job. Mr Hong, who was in the jade trade for more than twenty years, said, “When a Yunnanese trader obtained some jade stones, he first placed the stones in a Burman’s house. If cutting stones were required [mostly for the very big sized ones], they were done in Burmans’ places too. The Burmese authorities usually did not catch their own people; even if they knew which house stored jade stones. Most Burmans had kith and kin working at government offices and had their connections. Most of them had family members in the army too.”

Local brokers (jieshouren 介绍人), comprising mostly Burmans, Indians, Kachins and Shans, helped to introduce buyers. The service had been part of the trading tradition. The Burma Gazetteer records, “The stone is purchased at the mines by Chinese traders. All payments are made in rupees. An expert, or middleman, is nearly always employed to settle the price. These middlemen, who are without exception Burmans or Burmese-Shans, have from early times been indispensable to the transaction of business at the mines; they charge the purchaser 5 percent on the purchase money.” During the socialist period, it was said, the movement of local people was safer than for the Chinese. Unlike the sophisticated jobs involved in the brokerage that were handled by the jade companies in Thailand, the practice of brokerage in Burma did not require money for investment or tax arrangements, or the transport of traded stones abroad. Yunnanese traders only needed to pay petty commission for the brokerage. The Yunnanese did not consider the involvement of local people in brokering to be competition, but more as mutual reciprocity.

In addition to the Yunnanese traders based in Burma, some Yunnanese buyers came from Thailand. The purchase of jade stones was preceded by shopping around and price negotiations between buyers and sellers. In areas where the jade mines were located, buyers would wander the excavation spots seeking interesting stones. The shopping was called guang dongzi (逛洞子), or “roaming the holes.” Mine bosses also purchased stones from one another. Before leaving the mines, the traded stones would have “passed a few hands” (zhuanle jishou 轉了幾手). They were carried by porters or mules, cattle, or elephants to the nearest train stations, for instance Mogaung, Hopin, and Mohnyin, and then by train to Mandalay. These places were all underground trading centers, and Mandalay was especially important. In these places,
buyers were taken to private houses where the stones were stored; if they were interested in buying a piece, they would check the price and then try to bring it down through long negotiations with the seller. Mr Hong described the process vividly.

When the buyer is interested in a piece of stone, he would first ask the broker about the price. He normally did not ask the seller directly. After he thought that the price was O.K., he would then start to bargain with the seller for a lower price. When the seller asked for a certain price, for example one million [kyat], the buyer would then offer a much lower price, for example five hundred thousand. The seller would say no way. The buyer would then increase his offer. Price negotiation often took the whole day when both parties were interested in making a deal. After the buyer had raised the price several times, for example up to seven hundred thousand, but the seller was still not willing to sell, the buyer would call this his last offer. Though the deal was not settled, the seller may agree to have the stone packed with a piece of cloth and have the potential buyer sign his name on the cloth. On doing this, other buyers were not allowed to open it. That was the rule. A meal often followed afterwards. Negotiations could continue the next day. . . . If afterwards the seller was willing to sell the stone with the last price offered by the buyer, then the buyer must purchase the stone, because he had proposed that price and signed his name on the packed stone. . . . [But] if the buyer discovered that the packed stones had been opened, he could refuse to buy it.

Price negotiation was like a game, predicated on many unwritten rules. It required patience, negotiation skills, and the ability to read the mind of one’s counterpart. Informants commonly referred to the process as a kind of psychological battle (xinlizhan 心理戰). Most traders were Yunnanese, but some Burmans, Indians, Kachins, and Shans also engaged in the jade trade. The amount of capital involved was said to be comparatively much smaller, and the participation of these traders took place primarily within Burma, as very few of them had access to transnational networks that could extend their business abroad.33

After having purchased jade stones, Yunnanese merchants often entrusted them to caravan companies for conveyance to Thailand. Most caravan companies were also run by the Yunnanese. Transportation was accomplished by bribing officials of the customs house, police stations, immigration office, intelligence department, and the military. The bribes resembled the regulated taxes levied on different ethnic insurgent groups located on the way.
When the stones arrived at Thai border points, representatives of the jade companies, who had been contacted in advance, would show up to receive the stones. The import of jade stones operated with tacit permission from the Thai government. The jade companies helped pay tax to the Thai customs house and thus transform the illegally smuggled stones into legal commodities. Meanwhile, the caravan traders would buy Thai goods and sell them on the black market in Burma. In short, the Yunnanese jade trade networks from Burma to Thailand were essentially composed of three nodes: the traders (based in both Burma and Thailand), the caravan companies (mostly based in Burma), and the jade companies (based in Thailand).

**Capital Flow**

Apart from the widespread network formation, the flexibility of the Yunnanese in handling capital flow was another key factor that facilitated their transnational economic operation. “No matter legal or illegal, we Chinese merchants know how to launch business,” commented Mr Chuan, who used to travel from Mae Sot (a Thai border town in Tak Province, Thailand) westward to Mawlamyaing, then north to Mandalay (in Burma) for the purchase of jade stones in the 1980s and early 1990s. The transnational jade trade in question required capital flow between various nodes. In the mining areas, there were different means of capital transference to meet demand during the excavation period, which lasted for about half a year. The period coincided with the dry season; it started in the ninth or tenth month of the lunar calendar and ended in the third or fourth month the following year. When the rainy season began, the miners had to leave for fear of catching malaria and other diseases. People with little capital took the money they had to the mines and tried their luck in excavation until they had used up the money. If they discovered any marketable stones, they could sell them in the mines or in the nearby marketplace, acquire more capital, and extend their stay in the mines. However, if no valuable stones were found, they would have to leave or work for other mine owners.

Those with more capital could hire more people to work for them. Three to five miners worked at a “jade hole.” The mine boss had to take care of the miners’ food and board and provide pocket money for smoking. The half-year stay required a large amount of money, and it was both inconvenient and dangerous to carry all one’s money at one time to the mining area. Big grocery stores at nearby marketplaces therefore also functioned as underground stations for money transference. Those stores had urban bases for business connections. A mine boss could send his foreman to a certain shop...
to purchase the consumption goods his work team needed, and have his family or partner pay the money at one of the shop’s urban bases. The urban base of the shop used the money to replenish and transport the merchandise to the mining area. The mine boss could also borrow money from the shop for buying stones from other jade holes. In addition to the underground transference stations, there were individuals who also participated in this process. They packed money in sacks or cartons and took them to the mines by train or car. They lent the money to the familiar mine bosses and jade traders, and afterward collected debts from the debtors’ families in the cities with a certain percentage of interest added. However, there was always the chance of not being able to retrieve debts, especially when traders or mine bosses went bankrupt.

The transaction of jade stones also illustrates the Yunnanese penchant for finance management. Merchants often traded in uncut stones. High-quality jade stones were mostly small in size, and their value was not revealed until they were cut. Traders could only evaluate stones by observing features indicated on the surface. While price bargaining took place, both the buyer and seller appropriated their jade knowledge with reference to the marked features on the stone. The former would point out as many defects as possible, in order to bring down the price, while the seller would boast about the quality of his stone. The manipulation of jade knowledge became a tactic in the trade, and the transaction thus came to resemble gambling. In general, traded stones, except for large pieces weighing hundreds of kilos, remained uncut in Burma, and the price fluctuations were not too extreme. However, once the stones were safely transported to Thailand and traded at the jade companies, the process of price bargaining would intensify.

Most buyers at the jade companies were dealers from Hong Kong or Taiwan, the major jade trade centers among Chinese societies. After a transaction, the Hong Kong and Taiwan dealers would either have the stones cut immediately in Thailand or after they were transported back to their countries. To reduce economic risk, both sellers and buyers were usually composed of a group of three to five partners. The selling partners often came from Burma and Thailand, which aided in the allocation of tasks according to each one’s special abilities. Those in Burma handled the purchase of stones from jade mines and arranged to have them trafficked to Thailand; those in Thailand participated in the sale through the brokerage of a jade company. Moreover, the formation of a trading group helped in the accumulation of capital, which enhanced the possibilities of buying good jade stones.
In addition to their brokerage services, the jade companies provided money transference and loan services too. Like the grocery stores of the mining places, they functioned as informal finance stations. Prior to selling their stones, jade merchants from Burma in Thailand could borrow money from the companies to finance their living expenses. After selling their stones, they would ask the companies to help transfer their remaining money back to Burma. This money was usually converted to Burmese kyat. On establishing a good relationship with the jade companies, traders could also borrow money from those companies for purchasing jade stones in Burma. These traders were said to be experienced and good at procuring high-quality stones. In this way, the traders could acquire capital for investment, and the jade companies were guaranteed a sufficient supply of good commodities, with which they could attract dealers from Hong Kong and Taiwan.

Looking closer into this underground finance system, one finds that in addition to the danger of being arrested, traders faced the threat that the Burmese government might implement demonetization without warning or guarantee of reasonable compensation. Despite the involvement of foreign currencies and gold bars in the transnational trafficking of different commodities, monetary circulation in the black markets inside Burma was still based on kyat. Each demonetization caused tremendous loss to local traders. To combat this uncertainty, well-off Yunnanese merchants reinvested part of their profit in Thailand in cash cropping, restaurants, or hotels.

The uncertainty of the Burmese situation paralleled the indeterminacy of the quality of jade stones that compounded the risk of the trade. Many traders whom I interviewed confessed to multiple bankruptcies, which were due either to economic loss through price gambling or to the demonetization of the Burmese currency. Moreover, several of them had been arrested and jailed in Burma. The wonder was that they continued to try their luck at all with the help of partnerships or capital loaned from various underground finance stations. Informants explained that involvement in the jade trade is like a drug addiction—the temptation of obtaining an invaluable piece of jade stone overcomes any fears. A popular saying among traders is that one should never look down on anyone in the trade, for even miners may suddenly become millionaires when luck knocks on their doors. Even though the number of people who have encountered such good luck is very small in reality, the possibility is tempting enough to lure Yunnanese traders, who are said to be gamblers by nature, to stick to the trade.
The Yunnanese traders created a system of flexible capital flow in connection with different parties for constant reinvestment and maximization of their profit. Even the Burmese official apparatuses, local insurgent groups, and the Thai authority were incorporated into the trade. Facing the difficulties presented by the Burmese socialist economy, the migrant Yunnanese dispersed throughout Burma and Thailand, and opened up an underground market economy that connected to the capitalism of the outside world. Their uncertain status did not confine them geographically; instead, it resulted in their mobility, building of networks, and engagement in transborder economic activities.

Seen from a long historical perspective, the traders’ adventurous commercial endeavors were not simply contemporary practices but an extension of the longue durée of Yunnanese overland activities. In terms of economic undertaking, the Yunnanese have, throughout history, oriented themselves more toward Southeast Asia and South Asia than toward China. The Shiji episode has pointed this out, and the persistence of long-distance caravan trade affirms its development. Furthermore, Yunnanese adoption of the regional monetary system by using cowries best illustrates this economic orientation. Archeological excavations have shown that Yunnan had been importing cowries from South Asia and Southeast Asia since ancient times. Cowries were traded both as commodities and as a primary medium of exchange for the regional monetary system; in other words, they were the major commodity currency. Traces of their use in Yunnan have been found particularly along the trading routes connecting these neighboring countries. Other currencies used in Yunnan included silver, gold, copper, cloth, and salt. These multiple currencies illustrated the diversified conditions of Yunnanese commerce and the traders’ flexibility in their mutual conversion. The Chinese court was not successful in integrating Yunnan into its national monetary system until the seventeenth century.

Following the penetration of Western powers in the nineteenth century, various currencies issued by respective colonial governments flowed from India, Burma, Vietnam, and Laos. Even so, Western powers did not take economic opportunities away from the native population. Indigenous traders reacted positively to the new situation. With the help of existing trading networks, Yunnanese merchants set up many trading firms (shanghao), with branch offices in the major cities of Yunnan and neighboring countries. They were linked to foreign firms and engaged in import-export trade, and thereby responsible for a large flow of goods to widespread local mar-
kets. They also bought and sold foreign currencies and made remittances for their clients across countries. Accordingly, Yunnanese traders have been dynamic in the area of capital flow since ancient times. Their management has been in response to the external circumstances of each period, and has been transnational rather than national, and unofficial rather than official. The underground finance system of the jade trade serves as another contemporary example.

Concluding Remarks

The jade trade effectively highlights the economic agency of Yunnanese migrants during the Burmese socialist period. It was a time of darkness, but these people created different means by which to survive. Informants often referred to the paradoxical belief in Burma that “many things were not possible, but everything was possible.” Departing from the Shiji episode, I have pointed out the embedded significance of historical continuity and contingency, using them as the foundation of the analytical framework to bring out the insights of the trade. On the one hand, throughout history the Yunnanese adoption of practical tactics in dealing with local powers and state agencies and integration of regulatory practices, and the system of brokerage and flexible capital flow have both carried forward the persistence of a regional politico-economy. On the other hand, in response to different external contingencies they face, the strategies applied have varied in different periods. Informants themselves are also aware of the interaction of these two aspects in the formation of their trading spirit. They refer repeatedly to their risky endeavors as being the result of external circumstances on the one hand, and of the persistent Yunnanese tradition of long-distance trade in the region, on the other. The former points to environmental influences and a series of sociopolitical contingencies, and the latter, to a Yunnanese commercial ethos developed throughout history. Mr. Huang, who participated in the jade trade for over thirty years, said,

We Yunnanese have a kind of daring spirit [maoxian fannan de jingshen 冒険犯難的精神] and tough personality. This is mainly due to the mountainous environment. The land is not fertile for agriculture. Yunnanese simply have to leave their homeland to make a living. Our ancestors had been engaged in the caravan trade for hundreds of years. . . . On account of not having legal status when we arrived [in Burma], we had to stay in mountains . . . and engaged in illicit trade. Yunnanese are the best group among the ethnic Chinese abroad who are capable of enduring hardship.
Similar remarks were made by other informants. They commonly stress their risk-taking behavior and audacity as the distinctive “overland” temperament in this ethnically diverse land, and often apply it to distinguish themselves from the more conservative overseas Chinese from the Fujian and Guangdong Provinces. Ah Song, a second generation Yunnanese businessman in Chiang Mai, vividly describes their differentiation: “We Yunnanese love gambling on big trade. . . . [We] have a sort of wild temper [shan ba pi qi 山巴脾氣] . . . Those Teochiu are good at business.38 They are willing to earn one baht, two bahts [yikuai laingkuai douzhuan 塊兩塊都賺, meaning making small profits]. We Yunnanese aim only at big profits [douzhi zuo dade 都只做大的].”

Nonetheless, when asked to explain their economic predominance in comparison with non-Chinese ethnic groups, Yunnanese Chinese informants replace the statement of the overland disposition with an ethnocentric response tied to their Han Chinese origin. Mr. Huang says: “I think it is the question of cultural standard. Those Kachins do not have the brain of we Han Chinese. They mostly take up manual work, such as mining. The Shans, too, generally work as laborers.” Even the majority of Burmans and Thais are said to lack the talent and guts needed in the jade trade.39 The mercantile ethos of the Yunnanese is thus illustrated with a double nature, grounded both on local Yunnanese tradition and on Han Chinese ethnicity. The Yunnanese switch to either emphasis depending on which group they are related to. Vis-à-vis the ethnic others, they naturally emphasize the dimension of civilized Chineseness, which they use to highlight their ethnic superiority.40 This cultural superiority also embraces their shrewdness in trade. Stories of how some Burmese and minority traders are compelled to sell high-value jade stones with low prices were repeated by informants.41

However, regardless of their overland toughness and ethnic superiority, the Yunnanese traders had to rely on assistance from local people. In reality, they were sometimes betrayed by indigenous collaborators. Informants reported having lost stones that were stored at local people’s houses or while being transported from one location to another. They accused the homeowners of releasing information to the Burmese authority in order to make large profits. Once such an incident took place, the traders would end the business relationship with the collaborators, and the latter would be barred by other traders, too. According to informants, this strategy was useful to a certain degree, but the danger of being sold out still existed, and they had to be constantly alert. Moreover, bribes to the Burmese officials did not guarantee absolute safety. Sometimes, checks became more stringent or would occur unexpectedly. At other times, military conflicts between the Burmese
army and ethnic rebels flared up. Such situations obstructed the operation of the trade, and merchants had to wait until things calmed down.

By adopting a minjian perspective, I have illustrated the complex trading environment and relations involved in the jade trade. I have moved beyond a state-centric stance that would simply label the jade trade illegal, depriving the government of a huge amount of tax income and foreign exchange, and posing serious threats to national security. I have instead followed the mobility of the migrant Yunnanese and tried to illuminate their strength and resilience, as well as the limitations in their interaction with multiple regimes of power. The Burmese socialist junta was only one of the involved parties. Moreover, it was not a unified one. Likewise, the community of Yunnanese traders was fragmented. Deception among Yunnanese trading partners occurred more often than betrayals by local collaborators. Partnerships based on ties of kith and kin were not everlasting, given the temptation of massive economic margins. Almost all informants confided that they had been cheated by their partners or fellow traders. Despite all the internal and external complexities, based on the double nature of their trading ethos, the contemporary migrant Yunnanese have maintained the rationale of maximizing economic gain and assuring a continuity that underlies their transnational trading activity.

Notes

I conducted fieldwork for this paper in Burma (Mandalay, Yangon, Taunggyi, Lashio, Maymeo, and Myitkyina), Thailand (Chiang Mai Province, Chiang Rai Province, and Bangkok), Taiwan, Hong Kong, and Guangzhou in 2000, 2002, 2004–2005, and 2006, totaling nine-and-a-half months. During my field research, I conducted in-depth interviews, in addition to participant observation. I would like to thank C. Scott Walker, digital cartography specialist at Harvard Map Collection, for his help with producing the map.

1. Sima Qian, Records of the Grand Historian, Han Dynasty 2 [Shiji], vol. Southwestern Barbarians, trans. Burton Watson (Hong Kong: Columbia University Press Book, 1993), 256–57. Shu was a prefecture of Han; Qiong, Dian, and Kunming were small tribal kingdoms. They were all located in present southwestern China. Shu and Qiong were situated inside present Sichuan province, and Dian and Kunming in Yunnan province. The Xiongnu was a powerful tribe to the north of the Han. A similar passage was documented in volume Dawan (Dayuan in Watson’s translation) of the same book.
3. According to informants based in Burma and Thailand, the Han Chinese comprised 90 to 95 percent of the Yunnanese jade traders, and the rest were Yunnanese Muslims.


12. The use of the term is drawn from Mayfair Yang’s work, Gifts, Favors, and Banquets: The Art of Social Relationships in China (Ithaca: Cornell University Press, 1994). She uses the term to refer to the unofficial order, the popular realm, that is generated through the infinite weaving and spreading of personal connections and group formations.


14. Heshun (和順) is a prominent example of a famous township with a distinctive migration culture. See Yin Wenhe, “Yunnan han heshun qiaoxiangshi gaishu” [A general migration history of Heshun], Yunnansheng lishi yanjiusuo jikan 2 (1984): 273–301; Chang, “Three Jade Traders from Tengchong”; Fang Yijie, “Dijing fengshui yu rushang wenhua: Yunnan Heshun qiaoxiang de minjian wenhua yu guojia xiangzheng shijian” [Land-
scape geometry and the culture of gentry businessmen: The folk culture and practices of state symbolism in Heshun Township of Yunnan], master’s thesis, Qinghua University, Xinzhu, Taiwan, 2003.
18. The number of KMT guerrillas in the 1950s was around ten thousand; and the numbers of troops in the Third and Fifth Armies was about 3,200.
21. Today, all major cities in upper Burma, such as Myitkyina, Mogaung, Lahio, Maymeo, Mandalay, Taunggyi, Kengtung, and Tangyan, are full of Yunnanese.
23. Xia Guangnan, Zhong yin mian dao jiaotong shi [History of traffic between China, India and Burma] (Shanghai: Zhonghua shuju, 1948), 77–78; Chen Yi-Sein, “The Chinese in Upper Burma before A.D. 1700,” Journal of Southeast Asian Researches 2 (1966): 81–89; Qiu Fuhai, Guyu jianshi, vol. 4, ming qing ji fuchu pian [History of ancient jade, the periods of Ming and Qing] (Taipei: Shuxing chubanshe, 1997), 206–11; Sun, “Ming-Southeast Asian Overland Interactions, 1368–1644.” The jade mines in Burma are located in Kachin State, especially where the alluvial deposits of the Uru river conglomerate are found.
24. See Sun Laichen’s essay in this volume.


30. Ibid., 266.

31. Ibid., 281.


33. In contrast to the Yunnanese, local traders liked to discuss their trade in teahouses. Burmese informants pointed out that two teahouses located on 34th Street in Mandalay were especially frequented by local traders.

34. Informants pointed out that gold bars were used in the drug trade, and the Thai baht or Hong Kong dollar was used in the jade trade in Thailand.


36. Historical materials recorded the rates of their mutual conversion. See Yunnan-sheng qianbi xuehui, Yunnan huobi jianshi, 65, 82.

37. Issue no. 42 of Yunnan wenshi ziliao xuanji contains several articles that discuss the organization and management of several Yunnanese trading firms that existed prior to the Communist regime; Yunnan zhengxie wenshi ziliao yuanjiu weiyuanhui, ed., Yunnan wenshi ziliao yuanji [Anthology of Yunnan history], no. 42 (1993). The Yunnanese economic orientation toward Southeast Asia and the significance of Yunnanese networking ability are also examined by C. Patterson Giersch in this volume.

38. The Teochiu are the most prominent group in terms of number and economic de-
velopment among the ethnic Chinese in Thailand. The Yunnanese often refer to them to represent all the ethnic Chinese in the country who came by sea.

39. Even Yunnanese Muslim traders appropriate the integrating category of the Chinese identity to explain their superior trading capacity in relation to other ethnic groups.


42. See Chang, “Guanxi and Regulation in Networks” and “The Trading Culture of Jade Stones Among the Yunnanese in Burma and Thailand, 1962–88.”