

Footloose Traders and the Making of a ‘*Space of Exception*’: Case Study of a Community of Chanthaburi Gem Traders in the Northernmost Border Town of Thailand¹

Yuthpong Chantrawarin²

Abstract

This article explores the interplay of footloose gem traders, gem trade operations and the making of a ‘*space of exception*’ in the border town of Mae Sai between Thailand and Myanmar. Chanthaburi gem traders are considered footloose traders because once the traders had depleted the gem-fields in Chanthaburi Province of Eastern Thailand, they then moved close to Mae Sai in northernmost Thailand, which shares a border with Myanmar, to buy gemstones from Myanmar. After that, they eventually moved across borders and continents to Madagascar in Africa. The operation of the gem trade has thus formed out of heterogeneous networks that have spanned across different time-space and includes traders, brokers, ethnic groups and manufacturers. The gem trade in particular involves the making of a ‘*space of exception*’ in which the Thai state had

¹ The author is undertaking his doctorate at Chiang Mai University, researching the making of border space as a result of local-global trade dynamic nexus. He is interested in the upper Mekong’s trans-border relations and phenomenology as field research method. The research for this article was partially funded by the Empowering Network for International Thai Studies (ENITS), Institute of Thai Studies, Chulalongkorn University, with support from the Thailand Research Fund (TRF).

² Yuthpong Chantrawarin is a lecturer at Mae Fah Luang University, Chiang Rai, Thailand.

been more flexible in its surveillance of Mae Sai border space. Subsequently, the '*space of exception*' could tap the large amount of gem flows from the Myanmar hinterland by containing its ethnic gem caravans in a restricted space. This space also conferred privileges onto Chanthaburi gem traders. The gem trade was a major economic activity of Mae Sai in 1993-2003, and, in particular, during its heyday from 1995-1996.

Introduction

This article is an ethnographic account that explores the interplay of the footloose gem traders, the gem trade operation, and the making of a '*space of exception*' in Mae Sai of Chiang Rai province in Northern Thailand, a town that shares an international border with Myanmar. In this article, I pay particular attention to the Chanthaburi gem traders who are coined as 'footloose traders' because they have been continuously on the move in search of a space of their own. After the depletion of the gem-fields in Chanthaburi province in Eastern Thailand, these footloose traders moved to the town of Mae Sai to buy gemstones from Myanmar and to explore other trade opportunities. Some of them continued to extend their journey, moving across borders and continents to as far as Madagascar in Africa. Along with their movements, heterogeneous networks and practices emerged among traders, brokers and ethnic groups, enabling the gem trade to expand its scale and operate across different time-space.

This article focuses on the period of 1993-2003, when gem trade was still a major economy sector of Mae Sai. During its heyday in 1995-1996, the gem trade alone could generate a lucrative profit of approximately 100 million baht (4 million USD) per day. With other gem trade related-businesses, the total revenue that this industry generated was much higher. Given the profitability of gem trading in Mae Sai, a particular kind of '*space of exception*' emerged where the Thai state adopted a more flexible approach of surveillance in

managing Mae Sai border space, and the footloose traders developed their own strategies in negotiating this border space. Within this ‘*space of exception*’, the state could tap into the large volume of gemstones that passed through the border from the Myanmar hinterland, regulate the passage of the caravans of ethnic gem carriers and monitor trade transactions in a designated trading space. Chanthaburi gem traders, on the other hand, also found ways to negotiate their position in this ‘*space of exception*’ and seek profits and privileges.

Contextualizing the Space-Making of Mae Sai

A circle of social scientists has been paying more attention to the mobile and movement of people and cultures across space and time since the 1990s.³ Prior to such orientation, anthropologists had long studied a particular group of people with an endeavor to comprehend a holistic picture of its community; likewise, historians studied cross-cultural contacts and exchanges among people of different places and cultures. First and foremost, I argue that the mobility and movement of people from one place to another is the most classical form of space-making, as a consequence of both the interaction of distinct spaces within which people interact, and the articulation of social relations that they produce. The border town of Mae Sai has been subjected to four waves of migrants over time.⁴ These people have constituted the major groups of settlers in Mae Sai; they are:

- 1) Shan Migrants (1927);
- 2) Tai Lue from Lamphum, Chiang Mai and Xishuangbanna (1940);
- 3) Haw and Kuomingtang (1945); and
- 4) Chanthaburi gem traders (1990).

Mae Sai has been a part of ancient trade route connecting the Shan State via Chiang Tung and Lan Na Kingdom through Mae Sai

³ Appadurai, 1991; Ong, *Neoliberalism as Exception*; Massy, *For Space*.

⁴ Pitch, *Border Partial Citizenship*, 249.

since the 13th century.⁵ Nonetheless, the first wave of migrants was the Shan people who migrated to the Mae Sai border town, once with no trace of human settlement, as a result of a struggle with the British Chiang Tung in 1927.⁶ Pitch Pongsawat's research about the history of Mae Sai revealed that, in accordance with the Shan community sources, there were three Shan leaders, including their families, who escaping to the area of contemporary Mae Sai. Also, it was indicated that the Shan ethnics subsequently moved from three Shan towns, which were Muang Tum, Muang Hsat and Muang Yong.⁷

I hypothesize that the frontier of Mae Sai is constructed from the political meaning of Shan migrants in quest of a safe haven in the first place. During the age of nation-state building projects, the Shan State was integrated into British Myanmar, while the Lan Na Kingdom was incorporated into modern Siam (Thailand), thus Mae Sai was in the shadow of these state-making projects. The frontier of Mae Sai seemed to be both negotiated and at the same time shaped by the Shan migrants through their settlements. In a specific sense, there is no such thing as a natural frontier per se. The frontier of Mae Sai is rather a space made out of struggle, self-determination and fragmentation. The frontier space is after all free from subordination as state-subjects.

The second wave of people came from Lamphun and Chiang Mai and settled in the Tachilek area in Myanmar, which is opposite Mae Sai. The period was referred to the year 1940, signifying the modern year of boundary-making between the British Chiang Tung and Thailand which took the Sai River as the boundary marker of the area.⁸ Furthermore, the historical recollection of the Shan in reference to Mae Sai also stated that in 1944 the Tai Lue from Xishuangbanna of Southern China had fled to the area as a result of the communist Chinese revolution, otherwise as a consequence of the invasion of Japanese Army during World War II.⁹ During the same period, more

⁵ Moerman, "Ethnic Identification in a Complex Civilization: Who Are the Lue?", 1218-1219.

⁶ Pitch, *Border Partial Citizenship*, 254.

⁷ Pitch, *Border Partial Citizenship*.

⁸ Pitch, *Border Partial Citizenship*, 255.

⁹ Evans, *Where China Meets Southeast Asia*, 224-225.

people from another part of Thailand and Chiang Tung also migrated into the area. Not until 1950 did the movement of migrants form the large settlement into Mae Sai district; in particular it created a Tai Lue ethnic community at Mae Sai.¹⁰

The space of the present Mae Sai was embedded in the geo-body of Thailand which was derived from the production of the modern nation-state. However, I emphasize that Mae Sai is rather constructed from the socio-politico meanings of refugees' lives. The Tai Lue ethnics created the borderland as community in which they were seeking life chances. Both the Shan and Tai Lue ethnics shared a common experience of avoiding state capture, albeit to a different degree. Some Tai Lue ethnics drifted from political instabilities, heavy taxes and slave raids; others migrated voluntarily. As Thailand was internally colonized itself by the ruling class in a relatively peaceful manner, those migrants were more likely to take up sedentary cultivation, move closer to state centers, develop trade ties and eventually drift ethnically and linguistically towards the modern state.¹¹ This also brought change in the landscape of Mae Sai itself. Particularly, the Tai Lue people carved out a certain space in Mae Sai, making it an agricultural area and opening it up towards the outside world.

Metaphorically speaking, similar to looking at a snapshot, the frontier of Mae Sai at its background is rather blurred and much absorbed by the newly prepared foreground. Mae Sai is ground constructed for ethnic assimilation. The descendants of both Shan and Tai Lue ethnics, who are already assimilated into the mainstream of Thai society, now do a variety of jobs at Mae Sai, e.g., growing rice, producing handicrafts, running businesses, holding government positions.

The third wave of migrants who took up the area was the Haw ethnics. There were two major groups of them. The first group was the long-distant traders who had been traditionally trading along the trade routes between Southern China and the Mekong basin, and the second

¹⁰ Pitch, *Border Partial Citizenship*, 255.

¹¹ Scott, *The Art of Not Being Governed*, 334-335.

group was the Kuomintang or Chinese soldiers of Army 93 who fled from China as a result of the armed struggle after the defeat of the communist revolution in China in 1949. The Kuomintang who fled to the area were later re-located onto the Doi Mae Salong area and were in the Thai government's close eyesight.¹² The Kuomintang, a relatively new group of hill-top opium growers, worked in collaboration with some other ethnic minorities, such as the Haw, Yao, Akha, Lahu and Lisu, to up-scaling opium trading because their cultures appeared to confine them to opium-cultivated hills.¹³ Within a few years, the Shan State of Myanmar, Western Laos and Northern Thailand together became known as the 'Golden Triangle', which produced 70 percent of the world's illicit opium.¹⁴ There were also armed-ethnics insurgencies as they fought against both the Burmese, and sometimes the Thai, governments as a result of drug suppression. Ironically, the Thai state maintained 'one-eye closed, one-eye open' in utilizing them as a 'buffer zone' to guard against communist interference from outside. Eventually, the 'Royal Project' introduced cash crops to promote the substitution of opium trade in the early 1980s. Nowadays, a large number of Haw ethnics operate small-scale hotels, shop-houses and restaurants.¹⁵ Unlike the Shan and Tai Lue ethnics who are Buddhist, the Haw people are Muslim. The locals recognize them as Thai Yai, Thai Lue and Chinese Haw.

The Chinese Haw have had a major impact upon both transforming the space of Mae Sai and connecting it to the global arena since 1950. Mae Sai became a complex space of engagement of different groups of people. I insist that long distant caravan ethnic traders, such as the Haw, once viewed as backward, could push the periphery into a relatively advanced space by imposing their extensive trade and commercial activities. To put it differently, a small group of people could produce the 'globalization from below' in which they made their move, and then space in motion. The caravans not only

¹² Pitch, *Border Partial Citizenship*, 258.

¹³ Scott, *The Art of Not Being Governed*, 334.

¹⁴ Chandola, "The Politics of Opium", 832.

¹⁵ Pitch, *Border Partial Citizenship*, 259.

brought raw opium, but also high-priced Burmese jades and gems.¹⁶ Subsequently, Mae Sai successfully attracted businessmen from Hong Kong, Singapore and Bangkok,¹⁷ and has become part of the global circuit of drug trade in particular and other goods in general since the 1950s.

All in all, the space of Mae Sai has been shaped by a set of outside agencies, while the role of the state follows and supplements. Nonetheless, the role of the state must also be taken into account as a stakeholder of the space-making of Mae Sai. The state is important in determining parameters of border space in the modern-nation state generally; specifically the state inevitably gets involved with certain groups of people in border areas, providing them choices in exchange for the state's own benefit and survival. That is, the state practices survival in a variety of facets, which have manifested at different historical moments. The state needs to generate the ability to adapt itself with certain forms of practices as it interacts with different border actors. The state not only permits certain group of borderers to get through the border, but also manipulates them for political purposes. The cases of both the Thai Lue and Kuomintang can be portrayed as a state practice and a lesson to be learned. The former case helped produce an agricultural surplus for the nation, while the latter was used as a buffer belt. It is also fascinating to see the shift and change in the space-making of Mae Sai which is developed out of different trajectories. That is, no one should assume that the space-making of Mae Sai has developed by a linear formula, developing from frontier to borderland and border town. In fact, the space of Mae Sai is increasingly multiple, overlapping amidst political refuge, ethnic struggle, social assimilation, buffer state, economic borderland and so-forth. If the space is the sphere of multiplicity – the product of social relations and these relations are real practices, and always on-going – then the border space of Mae Sai is never-ending, but always an on-going project. There will always be loose-ended and continuing relations with the global, and always potential elements of chance.¹⁸

¹⁶ Chandola, "The Politics of Opium", 833.

¹⁷ Chandola, "The Politics of Opium".

¹⁸ Massey, *For Space*, 9-12.

Community of Chanthaburi Gem Traders at Mae Sai

The fourth wave of mobile movement of people who came to settle at Mae Sai was the community of Chanthaburi gem traders in 1990.¹⁹ After the gem-minefields at Bangkaja Sub-district of Chanthaburi Province, including Bo Rai District of Trat Province, which shared an area with Chanthaburi Province to the northwest, had been depleted, the gem traders migrated to Mae Sai in order to depend on the Myanmar ethnic gem traders. These ethnic gem traders come from the Myanmar hinterland, crossing the border to sell gemstones at Mae Sai. There were about 2,000 gem traders from Chanthaburi Province. In the following year, they also brought their families. Almost at the same time, coming together were a large pool of gem brokers from various gem-trading places throughout Thailand; they were from Bangkaja of Chanthaburi Province, Bo Rai of Trat Province, Bo Ploy of Kanchanaburi Province and Mae Sot of Tak Province. They even outnumbered Chanthaburi gem traders; nonetheless, the locals recognized them all as a community of Chanthaburi gem traders. By 1997, other Chanthaburi people who did business with these gem traders also migrated to Mae Sai, e.g., food sellers, underground lottery brokers, petty traders and the like. These people ultimately formed a gem trade network, which constituted a population of approximately 8,000-10,000, with some estimated even reaching 10,000-12,000. A large number of them moved to Mae Sai immediately causing the rapid decline of Talad Ploy Thanon Sirchan, which was the original gem market at Chanthaburi Province, which seemed to become a ghost town.

On the one hand, the juxtaposition, in particular, of the Chanthaburi community created their own place; on the other, this generated trans-local trade of gems between Thailand and Myanmar. The former raises the possibility of 'space-making' at Mae Sai, the latter, the possibility of a 'trans-local network' of gem trade. I raise these two interwoven issues because they are deemed prime movers of the space-making.

¹⁹ Pitch, *Border Partial Citizenship*, 260.

Mae Sai Gem Market

Opposite Mae Sai Police Station is the gem market, within walking distance of the Mae Sai Border Checkpoint. It is just a small alley, normally called a *soi* in Thai. In front of the soi appears a name-sign, which was commonly known as Soi 4. This gem market at Soi 4 had been important to the social lives of both Chanthaburi gem traders and Myanmar's ethnic gem traders, and the space making of Mae Sai, as well as the economy of Mae Sai in 1992-2003. In particular, local people experienced the peak period of gem trading in 1995-1996. As early as 7 o'clock in the morning, until 6 o'clock in the evening, at which time the Mae Sai Border Checkpoint closed, this Soi 4 was packed with a lot of people – mostly Chanthaburi gem traders, ethnic gem traders and gem brokers. It was so crowded that even a motorcycle could not find a space to get through. The locals had never been familiar with ten thousand people busily buying and selling gems in a narrow space.

There was an estimate of 100-200 Myanmar gem traders who came a long way from Mong Hsu of Shan State in Eastern Myanmar and Mogok of Mandalay in Northern Myanmar, crossing the borders to Mae Sai every day. Mong Hsu is relatively closer to Mae Sai, roughly 250 kilometers, while Mogok is three times further away. Mostly they travel by cars or vans via Chiang Tung to Tachilek of Myanmar and then to Mae Sai. They were part of a caravan of ethnic gem traders coming across different spaces and people over times.

The operation of the gem trade is created out of a heterogeneous network that spans across different time-space. Mineworkers depend on ethnic gem traders on trans-border gem trade; diverse ethnics, but mostly the Shan ethnics, are drawn into the gem smuggling route. Myanmar's ethnic gem traders depend on Thai brokers who help them connect to Chanthaburi gem traders. Chanthaburi gem traders also link with gem factory owners at Chanthaburi Province and Bangkok; gem businessmen eventually sell gems to customers, domestically and internationally.

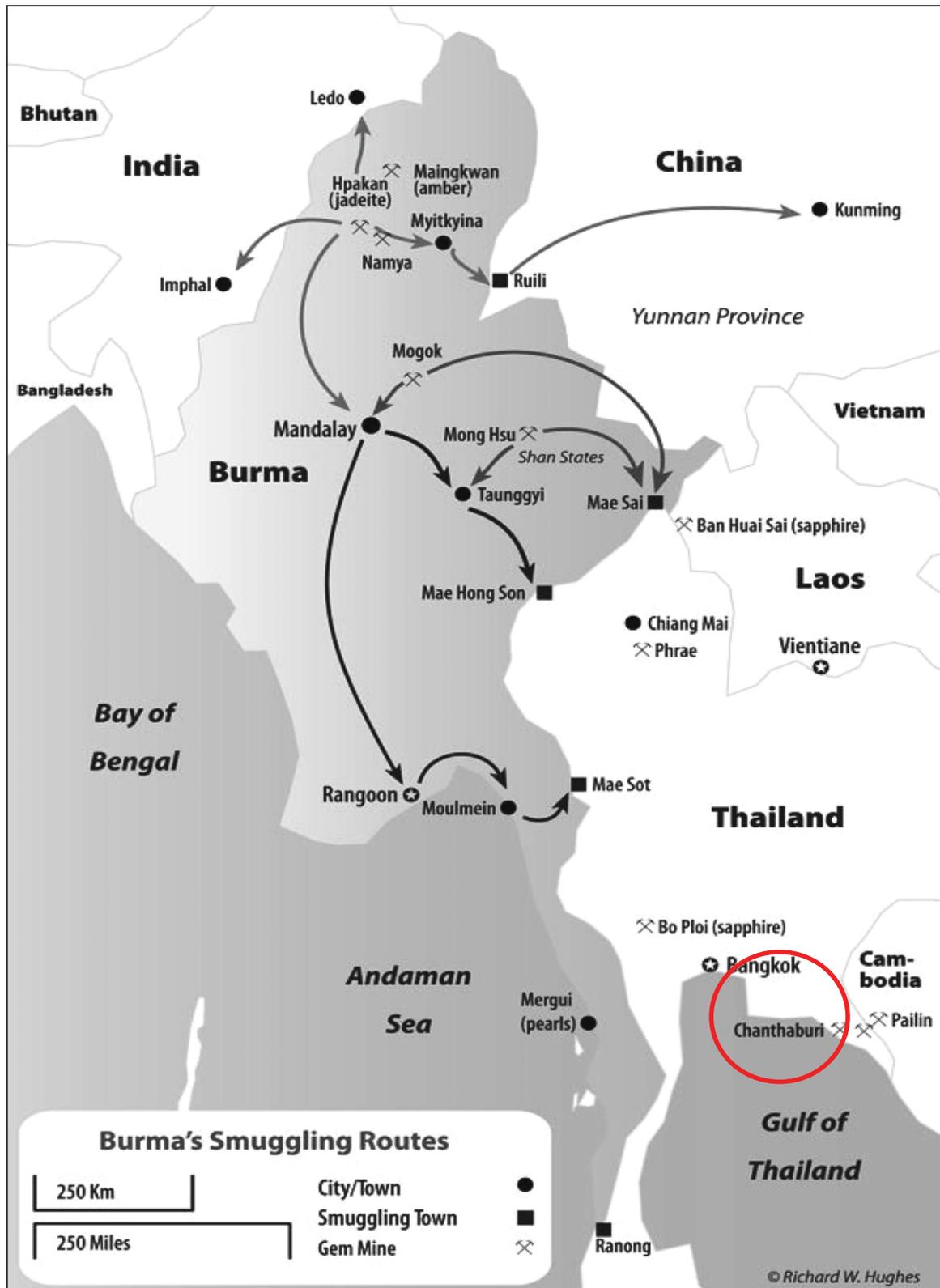


Figure 1: Route of gems from Mogok and Mong Hsu to Mae Sai (Courtesy of Hughes, *Ruby & Sapphire*).



Figure 2: Entrance to Mae Sai gem market at Soi 4, with gem kiosks to the right. The gem trade has declined since 2003. Photo of the author taken in 2011.

Although considered prohibited items for export, gems have been smuggled across borders by ethnic gem traders for at least half a century. Some ethnic traders hide gems under their clothes when crossing the borders from Tachilek to Mae Sai; others hiding gems in their shoes. Some even smuggled them by using a van by wrapping the gems very tight and putting them in the fuel tank. At different checkpoints along the way from Myanmar to Thailand, they tell authorities that they are crossing the borders to buy items.

Amidst the crowd, Soi 4 was flanked by the two long lines of tables or kiosks owned by Chanthaburi gem traders. At a corner within Soi 4, one shop-house was bordered by approximately 12 tables starting from the yard in front of the house to the backyard. These tables or kiosks were their shops. Usually they needed to pay rent, about 200-500 baht (8-20 USD), to shop-owners to occupy the space. They welcomed ethnic gems traders to sit back, relax and talk prices.

Myanmar's ethnic gem traders often came in groups to sell gemstones at the gem market. They could speak little Thai, but skillfully counted money. In addition, there were brokers who helped smooth business deals. A broker's job, like a middleman, was to help ethnic gem traders, who wanted to sell their gems, meet Thai gem traders who needed to buy gems. Although brokers invested nothing, they made money by securing sale commissions of about 1% to 2% of a gem deal from both sides. Most of the brokers did not do other jobs because they were satisfied with commissions gained almost every day. They could make money comparatively easy, rather than doing other jobs. It was, in this particular case, called '*sinnamchai*' (สินน้ำใจ) in Thai. Interestingly, ethnic gem traders, Chanthaburi gem traders and Chanthaburi gem brokers all communicated in the language of money. It helped smooth a language barrier.

Gem transactions were conducted on a one-on-one basis, with both sides strictly focused on buying and selling gems. An individual ethnic gem trader would not deal with other Thai customers at the same time who might be sitting at nearby kiosks. In other words, individual ethnic gem traders did not deal gems crisscrossing different tables. Moreover, while one table was engaged in a gem transaction, nobody would interrupt them because it was considered ill mannered. Otherwise, it would be difficult for both sides to focus on the gem transaction and to handle the gems safely. This was the custom that was practiced by the gem traders.

Sometimes ethnic-armed insurgencies would take place at the Myanmar border area. There were five ethnic-armed struggles between Mae Sai-Tachilek from the year 1998-2003 which subsequently rendered the closure of the Mae Sai or Tachilek Checkpoint, not including some other minor clashes. For example, the border closure at Tachilek from May 22-October 15, 2002 caused the border closure at Tachilek for six months. The Myanmar government accused Thailand of supporting the Shan State Army (SSA).²⁰ Nonetheless, small savvy ethnic traders adopted the tactic of night smuggling in response to the political crisis. Ethnic gem traders and

²⁰ "Thai-Myanmar Borders Closure" (in Thai).

Thai gem traders connected via the Sai River, which is narrow and shallow. At night around 20:00-24:00, there were chains of goods floating across the Sai River at Ban Ta Sailomjoy Sub-district and Ban Ta Kok Sai Sub-district of Mae Sai. They made nominal payments of about 200-400 baht (8-16 USD) per head to local officials, otherwise they made net payments of about 1-2 thousand baht (40-80 USD) for both people illegally crossing the river and goods smuggled by way of the river.²¹

Chanthaburi gem traders, including brokers and ethnic gem traders, also traded gems among themselves if they had a better deal. The price of gem was often problematic as it fluctuated heavily. In general, there are only two kinds of gem that are considered precious; sapphires are second to rubies, rubies second to diamond. Nonetheless, Burmese rubies, pigeon's blood rubies, are second to none. Gem prices range due to size, color, clarity, cutting, to even fetish. There is no universally accepted pricing standard. Such problematic pricing induced speculative prices, and was sometimes messy. The price of gems is highly subjective in the sense that it is speculated through the naked eye. The project of gem pricing could turn out to be either a success or fiasco, notwithstanding a trader's expertise. Traders simply said gems trading depended on luck somehow.

Most gems from Myanmar coming to Mae Sai are raw gems. In general, Mogok gemstones are more expensive than Mong Hsu gemstones. Mogok gemstones look crystal-clear solid, and such characteristic make them ready for cutting without thermal treatment. The prices of such gemstones begin from approximately 30,000-50,000 baht (1,200-2,000 USD)²² a carat or a little more (1 carat = 0.2 grams). However, Mong Hus gemstones are like commonplace rock and required heat treatment techniques. The prices ranged from 10,000-50,000 baht (400-2,000 USD) per kilo. The prices of the gem

²¹ "Mae Sai Underground Trade in an Uproar about Soldiers Imposing Commission Fee" (in Thai); "Chiang Rai City Hall Starts Chinese and Burmese Language Classes for Economic Quadrangle Trade, Supported by the Governor" (in Thai).

²² An exchange rate of 25 baht/\$1, which was the fixed exchange rate at that time, is used here for illustration.

always goes up as it is passed from one hand to another and so forth by means of traders' speculation. As such, traders often said, in their money language, they 'knocked' the price, which meant they made profits at least double or triple.

Inside a Mong Hsu ruby there is a little dark spot. Chanthaburi gem traders knew this as the 'essence' or, in Thai '*hua chuea*' (หัวเชื้อ), which looks like a pencil lead inside and can be perceived by the naked-eye. The *hua chuea* needs to be processed through heat treatment techniques. Each family of Chanthaburi gem traders, who also operate thermal treatment, has a secret formula passed from one generation to the next and has never been disclosed to outsiders. Each family has its own techniques to heat gems. Heated for a day at approaching 2,050-3,000°C in a furnace, a Mong Hsu insipid gem will radiated a crystal reddish color. They say that they 'cooked' the gems or in Thai '*hung phloi*' (หุงพลอย). Now the price of this fine Burmese gem has increased exponential, as highly as ten times or twenty times at the gem marketplace. Traders have always been mesmerized by the pricing project. Nonetheless, some traders will cook a gem and it will turn out as gravel.

Mae Sai Economy of Exception

The economy of the gem trade had assumed the position of a major part of the economy of Mai Sai for a decade.²³ Just the gem lapidary business generated income of about 100 million baht (4 million USD) a year, but money generated out of the gem trading business reached approximately 100 million baht (4 million USD) a day.²⁴ Now gems and jewelry have climbed to a top-five export product since 1992, and the net value of gem and jewelry export has

²³ The economy of Mae Sai has also depended on cross-border trade and tourism since the 1990s. The boom in the gem trade reinforced border consumption and economic growth because of the fluidity of money. The locals experienced a construction boom, numerous tourists, and real-estate speculation, including other forms of property or purchase within a high-value market that was linked directly via personal wealth and incomes.

²⁴ "Thai-Myanmar Underground Trade Worth Twenty Billion Baht" (in Thai).

been increasing every year²⁵ – for instance, the net value of gem and jewelry exports was 37 billion baht in 1992 and 57 billion baht in 1997, albeit encountering a relatively small drop in certain years due to border conflicts and global demands. I attest that such a phenomenon co-happened with the re-location of the Chanthaburi gem trade community, including the gem trade boom, and the government's implementation of the 'Economic Quadrangle' Program since 1992.

First and foremost, I posit that the gem trade is linked to 'time-consciousness'. At face value, it seems that authorities practice 'one-eye closed, one-eye open' in the sense that the gem trade involves a legal-illegal business. Although the gem market at Soi 4 is opposite Mae Sai Police Station, the police mission is mostly concerned with drug suppression at the border area. In fact, the police have never counted the gem business as an illicit activity. The time of gem trading is synchronized with the Mae Sai Border Checkpoint office hours, opening at 6:00 and closing at 18:00. Ethnic gem traders need to go back and forth through the border checkpoints of Tachilek-Mae Sai every day. In general, ethnic gem traders are time-consciously synchronized with the operating hours of border checkpoints. In some situations, a political crisis can toughen the gem trade if the crisis escalates to a border closure. Practically, the traders are contained in Soi 4 'by default', transacting the gem business and utilizing time effectively in this designated area. Loitering at some other places is not out of question, but would impact their limited and precious time.

The longer they stay, either in Tachilek or in Mae Sai, the tighter they are in terms of time and money. In addition to their expenses for a long journey, they need to pay rent and living costs. Some prefer to stay at Tachilek because they can share a house with their relatives or friends. Nonetheless, they are willing to pay comparatively little

²⁵ Gem and jewelry export is under the same category. Thailand mostly exports high-added value gems in forms of rings, necklaces, bracelets, etc. Finished gems, raw gems or cut gems throughout the world are available at Talad Poly Thanon Srichan, Chanthaburi Province, which is now the biggest gem market in the world, with the volume of trade sales at 100 baht (4 million USD) a day. This market opens for customers on every Friday, Saturday and Sunday.

money for accommodations. Others who dare to stay in Mae Sai inevitably pay money to a house-owner, so they can pay it to the police, just in case. The ethnic gem traders decide to stay overnight at Mae Sai because they want to sell gems as quickly as possible. The house-owners will introduce potential customers to them at night. Those who are occupied by daytime-work can come to buy gems at their convenience at night. The house-owner is expected to get some commission too.

Some ethnic gem traders find the time to make transactions longer and more complicated, other find it shorter and simpler. Brokers play an important role in terms of mediating time-consciousness. Generally speaking, ethnic gem traders want to sell gemstones and then returned home as soon as possible so they can come back again for business. Even though a small sachet of gems is convenient to carry at all times, it is not necessarily safe to carry from place to place. Otherwise, they need somebody whom they trust to deposit the gems with. Some ethnic gem traders even deposit gems with a few brokers in order that they can help them circulate gems to different potential clients. Thus, some ethnic gem traders depend on brokers to both shorten their staying time and, at the same time, quicken sales.

Second, I posit that the turnover rate of time at Soi 4 is fast and dynamic. With the advent of the Asia Development Bank's (ADB) 'Economic Quadrangle' Program since 1992,²⁶ which includes member countries Thailand, Myanmar, Lao PDR and the Yunnan Province of Southern China, gem trade has been enhanced, especially on Thailand's side. The 'Economic Quadrangle' Program aims primarily at facilitating trans-regional economic connectedness and formalizing cross-border trade through modern infrastructure development. The Myanmar government pledged to finish the project

²⁶ As soon as the project started in 1992, it almost collapsed in the following years. ADB's encouragement of private business partaking in developing infrastructure of the areas became messy. First and foremost, ADB got stuck in its bureaucracy because of a lot of red-tape in the procedure. Ironically, it was not an exemplar of liberalization and de-regulation after all, but rather got jammed in many rounds of unproductive meetings.

of the improvement of the road surface by 2001.²⁷ The project was much more delayed than actually planned. When the whole project of the betterment of the road surface of R3B connecting Mae Sai of Northern Thailand, Tachilek of Eastern Myanmar and Xishuangbanna of Southern China was finally finished in 2004, traders could travel by vans and cars more conveniently. Before, it took a month travelling on a long and winding road. The operation of Tachilek airport made it possible for both Thai gem traders and Myanmar's ethnic gem traders to travel faster from Tachilek to Mandalay, approximately two hours. Nonetheless, the gem trade at Mae Sai began to decline since 2004.

Most importantly, the upgrading of the road surface of Highway 1, a 950 kilometer four-lane highway from Mae Sai to Bangkok, helped both tighten local time and quicken the gem trade since 1992. The local time of the Soi 4 gem market was synchronize with globalization, consummating in the global trade of gems and jewelry. To put it differently, the flows of the gem trade connecting the locals to the global market was highly dynamic. As Thailand increases gem and jewelry exports to meet world demand every year in exchange for hard currency, the turn-over rate of time for both ethnic gem traders and Chanthaburi gem traders has been made faster. This is because the Soi 4 'local time' has been catching up with the 'global time' of the export market. In reverse, the economy of the high-speed gem trade in the Myanmar hinterland has been intensively drawn into the commercial circuit of Mae Sai, Chanthaburi and Bangkok, thus plugging it into global connections.

This also helps recall the commencement of the construction of Highway 1 in the early 1950s by the US Navy Seabees, a combat engineering unit. The project connected Doi Mae Salong via Mae Sai and eventually Bangkok. Back in that period, the project facilitated the transport of heroin from the local area to meet the demand of global market.²⁸ Hence it brought about a 'time-space compression'.²⁹

Third, I want to point out that the space making of Mae Sai is a production only for a group of privileged Chanthaburi gem traders.

²⁷ "Mae Sai Economic System Closes Down" (in Thai).

²⁸ Chandola, "The Politics of Opium".

²⁹ Harvey, *Spaces of Global Capitalism*, 117.

Soi 4 seemingly represented a space of Chanthaburi people, whereas nearby lived the local people. There was a case of friction between a female Thai Lue shop owner whose shop-house was adjacent to the entrance of Soi 4 and a male Chanthaburi gem trader who sold gems next to her shop-house at the entrance of Soi 4, although the case did not turn into a confrontation. The Thai Lue women, who sold jade, jewelry and clothes, raised the issue of injustice on income-tax payment. She was burdened with revenue tax payment every year because she owned a shop-house, unlike Chanthaburi people who did not pay tax. During the heyday of the gem trade, brokers made a large sum of money, about 30,000-50,000 baht (1,200-2,000 USD) a month, and traders made about 250,000-500,000 baht (10,000-20,000 USD) a month. Authorities turned a blind-eye to them.

I assumed that general petty traders do not pay tax because they mostly conduct a small-scale trade. Besides, they often move from one place to another by the nature of the petty trade. Their incomes are considered meager, so authorities find it inconvenient and unattractive to follow them to collect tax. Back to the case of Chanthaburi gem traders, they owned small kiosks or even small tables at Soi 4. It was possibly categorized as petty-trade or small-scale trade, but in practice, gem trade was relatively not small-scale. Later on, since 2002, some of them began to return to Chanthaburi Province because of the border-closures as a result of border insurgencies,³⁰ besides gem trade showed sign of ebbing. Some of them also began to go to Africa as a new source of gemstones. The Chanthaburi shop owner whose shop was next to the Thai Lue woman's sometimes closed his kiosk for 3-4 months while he went to Madagascar.

She further complained that some gem traders dumped garbage into drainpipes every day. She expressed herself as a good citizen, while some others seemed to be lacking in responsibility. Certain areas of Mae Sai are subjected to temporary floods during the rainy

³⁰ The border closure at Tachilek from May 22, 2002 to October 15, 2002 deepened the crisis. There were approximately 40 gem shop-houses, 30 of which were closed during the border closure. Some gem businessmen began to divert their businesses to other jobs, e.g., clothes, souvenirs or groceries, while the other also began to move back to Chanthaburi Province ("Thai-Myanmar Borders Closure" (in Thai)).

season. Paradoxically, traders whose commerce involved well-established businesses and civil responsibilities were more likely to be underprivileged than those who were considered the footloose. To a larger extent, trading dynamics weakened social rapport, and instead strengthened social injustice between a group of the trading privileged and the common people.

Finally, I contend that Mae Sai border is a space of practice on which the traders' trans-border network and the state's no-portable rules converge. The state maintained a low-cost of industrial production by relying on, and at the expense of, the traders' trans-border network. Ethnic gem traders invoked a confluence of linguistic, cultural and kinship backgrounds among a widely dispersed space; likewise, Chanthaburi gem traders were linked by cultural traits and an economic thread, which provided them with an ethnic network that expanding across different time and space. Nonetheless, this network was very sensitive to the state because of socio-cultural divisions and power-relation differentials. They could cultivate a strong link generating from the trading network, once well-established long time ago;³¹ paradoxically, they had a weak link with the state itself. The state only acted in terms of its own sake, thus trying to maximizing its power and benefits, while gem traders needed to absorb their own risks. While the state allowed the free-flow of a particularizing trade network, there were 'no portable rules', but they acted rather free-form, depending on a specific context and hands-on practice at that specific moment. This was to help remind the 'Siamese talk'³² coming to term after the end of the Second World War. As the state was an organized hypocrisy, transforming itself into a network of states such as the project of the 'Economic Quadrangle' – aiming at formalizing and regularizing the cross-border flows at border space in globalization, thus putting the border spaces under power to monitor – the symbiosis between the state and the network was also changed.

³¹ Walker, *The Legend of the Golden Boat*, 64.

³² "Siamese talk" was used in diplomatic circles as a result of Thailand's 'bending with the wind' behavior. During the Second World War, Thailand allied with Japan, but after the war, Thailand used diplomacy to bend with the US.

To phrase it more simply, it is important to note that although a '*space of exception*' once had facilitated the trade and commercial flows at the borders, nobody should presume that the state's zoning is a permanent formation.³³ In such a case study, the state maintains flexibility, the footloose traders adaptability.

The economy of the gem trade at Mae Sai has declined since 2003 and the situation became even worse in 2007 onwards because of shifts and changes in regional forces, mainly Myanmar and China. The Burmese junta cancelled the 'Burmese Way to Socialism' in 1987, and later the 'State Peace, and Development Council' (SPDC) was introduced after 1997. In the name of development, the 'Economic Quadrangle' Program made it possible for the Burmese government to recapture control of remote and under-cultivated areas. Although the Burmese government made minefields claims throughout the country and proclaimed them as national treasures since 1990, it took several years for the Burmese government to set up a gem joint-venture business.³⁴

At the turn of the twenty-first century, 'Burmese-born Chinese' can connect to mainland Chinese through 'guanxi' or sibling-networking by utilizing SPDC's new introducing investment laws. Business guanxi has caused the opening up of Mogok and Mong Hus minefields to the global market in the form of Chinese capitalists' concession of the mine-fields. Ever since, the Burmese government has formalized the gem trade by launching gem auctions every three months at Rangoon, mostly Chinese auctioneers have closed the deal. They are another network of the privileged, while Chanthaburi traders have become relatively the underprivileged because of smaller capital and losing comparative advantages.

Affected by both China's and Myanmar's trade regulations, the majority of Chanthaburi traders went back to Chanthaburi Province. Now Talad Poly Thanon Srichan, once a ghost town, has been revitalized; by contrast, Soi 4 is seemingly a ghost town. The number of people has been reduced dramatically from ten thousand to an

³³ Ong, *Neoliberalism as Exception*, 118.

³⁴ Chua, *World On Fire*, 28.

estimate of two hundred people at Mae Sai now; only 10 percent of them still continuing their way of life at Mae Sai. Ethnic gem traders who crossed the borders to sell gems at the gem market have also reduced substantially from 200 people to 10 people a day because of formalization of the gem trade in Rangoon. Nonetheless, most Chanthaburi gem traders began a new round of gem hunting in Madagascar, some in Tanzania or even in Southern Sudan in Africa. These footloose gem traders from Chanthaburi Province grew up trading with ethnic gem traders and accumulated enough capital for a decade at Soi 4 before the majority of them left the space of Mae Sai behind.

Conclusion

In the final analysis, I conceptualize the Mae Sai border space as a '*space of exception*' that have normalized trade practice and state sovereignty. In this space, the state and a specific group of agency collude in creating a circuit of power. I also argue that state sovereignty is uneven. Nonetheless, the state maintains its flexibility at the peripheries to maneuver for its benefit and power. The Mae Sai border space has become an autonomous zone in which a specific group of people enjoy trading privileges in the zone. The zone of exception is always open, configured autonomous and made accessible only to those who possess a specific set of 'knowledge and technology', thus maximizing their capacities in the zone of exception. The condition of autonomy is subject to both the particular people's technical knowledge and the state's sovereignty in a time-space configuration. In reverse practice, the state both links and de-links with the certain group of people to maximize its benefits and power, depending on both the state's socio-economic context at large and the matching conditions in specific. The '*space of exception*' thus becomes a practical merging ground in which a specific group of people, together with technical knowledge, is maneuvered and the state sovereignty is graduated.

References

- Chandola, Harish. "The Politics of Opium." *Economic and Political Weekly*, Vol. 11, No. 23, (1976): 832-833.
- Chang, Wen-Chin. "Guanxi and Regulation in Networks: The Yunnanese Jade Trade between Burma and Thailand." *Journal of Southeast Asian Studies*, Vol. 35, No. 3, (2004): 479-501.
- Chua, Amy. *World On Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability*. NY: Doubleday, 2003.
- Evans, Grant, Christopher Hutton and Kuah Khun Eng. *Where China Meets Southeast Asia: Social & Cultural Change in the Border Regions*. Bangkok: White Lotus, 2000.
- Harvey, David. *Spaces of Global Capitalism: Towards a Theory of Uneven Development*. NY: Verso, 2006.
- Hughes, Richard. *Ruby & Sapphire*. Boulder: RWH Publishing, 1997.
- Massy, Doreen. *For Space*. London: Sage, 2005.
- Moerman, Michael. "Ethnic Identification in a Complex Civilization: Who Are the Lue?" *American Anthropologist*, Vol. 67, No. 5 (1965): 1215-1230.
- Moerman, Michael. *Agricultural Change and Peasant Choice in a Thai Village*. Berkeley: University of California Press, 1968.
- Ong, Aihwa. *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty*. Durham: Duke University Press, 2006.
- Perkmann, Markus and Ngai-Ling Sum. *Globalization, Regionalization and Cross-Border Regions*. NY: Palgrave Macmillan, 2002.
- Pitch Pongsawat. "Border Partial Citizenship, Border Towns, and Thai-Myanmar Cross-Border Development: Case Studies at the Thai Border Towns." PhD Dissertation, University of California, 2007.

- Scott, James C. *The Art of Not Being Governed: An Anarchist History of Upland Southeast Asia*. New Haven: Yale University Press, 2009.
- Smith, Neil. *Uneven Development, Nature, Capital, and the Production of Space*. Athens: The University of Georgia Press, 1984.
- Thongchai Winichakul. *Siam Mapped: A History of the Geo-Body of a Nation*. Chiang Mai: Silkworm Books, 1995.
- Toyota, Mika. "Contested Chinese identities among ethnic minorities in the China, Burma and Thai borderlands." *Ethnic and Racial Studies*, 26: 2 (2003): 301-320.
- Walker, Andrew. *The Legend of the Golden Boat: Regulation, Trade and Traders in the Borderlands of Laos, Thailand, China and Burma*. Hawaii: The University of Hawaii Press, 1999.
- Ward, Fred. "Rubies and Sapphires." *National Geographic Society*. Vol. 180, No 40. (October 1991).
- Yuthpong Chantrawarin. "Review of Thailand's Foreign Policy towards Myanmar: Study of Problems in the Last 50 years." Unpublished research. Mae Fah Luang University, Chiang Rai, 200. (In Thai).
- "2 หมื่นล้านบาทค่านอกระบบไทย-พม่า (Thai-Myanmar Underground Trade Worth Twenty Billion Baht)." *Krungthep Turakij*, 12 March 2001. (In Thai).
- "คำใต้ดินแม่สายกระหึ่มทหารตั้งด่านเก็บค่าหัว (Mae Sai Underground Trade in an Uproar about Soldiers Imposing Commission Fee)." *Manager*, 30 May 2011. (In Thai).
- "ประตูเศรษฐกิจแม่สายถูกปิดตายทั้งระบบ (Mae Sai Economic System Closes Down)." *Krungthep Turakij*, 27 February 2001. (In Thai).
- "เปิดด่านไทย-พม่า (Thai-Myanmar Borders Closure)." *Thansettakij*, 15 August 2002. (In Thai).

“เปิดศาลากลางเชียงใหม่สอนภาษาจีน-พม่า พ่อเมืองหนุนรับการค้าสี่เหลี่ยมเศรษฐกิจ (Chiang Rai City Hall Starts Chinese and Burmese Language Classes for Economic Quadrangle Trade, Supported by the Governor).” *Manager*, 13 August 2002. (In Thai).