

Border Trade Area: Social Networks and Power Relations of the Thai-Lao PDR Border Trade System

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Abstract: This study focuses on the concepts and definitions related to social networks and power relations around the Thai-Laos Border, focusing on the border traders who work there using qualitative research methodologies. The study will explain the characteristics of the social networks used by the border traders and their border trade system to analyze the relationships that exist among these networks and their power in relation to the border trade economic system. Researcher proves that social networks still have an influence on the interactions that take place between individual border traders, those who are both majors and retails traders of the Thai-Laos border trade system. This phenomena shows that globalization has caused modification to economic and social relations and has affected power relations between the border traders.

Key words: Globalization, social network, power relations, Thai-Lao PDR border traders, place

INTRODUCTION

Thailand's North-Eastern border area is an area with a variety of interaction between people across the border in a movement, complex and filled with activities that alter the context. The relationship occurred in the border area consists of the conflict, cooperation, exchange, negotiated; create networks of relationships that happen to many forms of subsistence and benefits. In such relationships are linked to issues of power and the process of globalization. This makes the cost, people, goods, culture and more stepping through the border quickly and continuously; contributes to the development of border areas in various fields, especially in economy and trade.

Globalization which appears in the form of commercial activity on the border of Thailand-Lao PDR which is moving forward smoothly and becoming more flexible is building opportunities to change trade and negotiate among various groups of people and areas of interest. This globalization has affected social, culture, economic interactions and relationships in border areas and especially power relationships that appear as informal relationship networks adapted to two overlapping relationships; based on a economic, social and cultural networks and rules of international trade under capitalism in which competition involves free investment controlled by the state.

The border area between Thailand and Lao PDR in Mukdahan province and Savannakhet Province area. Mekong River is a borderline with a distance of 72 km. The main city of Savannakhet is Kan Ta bury city which is opposite to Muang Mukdahan district. The effect of the boundary or border of the state of the area and the people who live in the Mekong River were separated. Considering the definition of the border area to find the meaning in the same way:

Whether a border is to establish a clear territorial sovereignty and reproduces dominant power over citizens. And various ethnic groups, the marginalized status

“Borderline” needs to be managed with great care and efficiency. Focus on trade, investment and travel between them are fast and uncomplicated. It's not just a border crossing. It is a reflection of the relationship between the power of central government and power in border areas

Border “areas except” (a site of the exception) is an area where certain activities can't be done in other areas of the country. It can be carried out here. The rules used in the border area may be different from what is used in other areas

Or the border area is the area of influence and economic phenomenon, trade and marketing, resulting in compounded interest on both the state and the people in the border area (Brunet-Jailly, 2005)

Considering the definitions above; it can be seen that the Mukdahan border area was designated as a gateway to Indochina network development plan to link the product to Indochina. The city is an important economic trade both locally and regionally.

Mukdahan is a border area between Thai and Lao-PDR and shares a history with both communities and its ancestors. In the past, people had connections and relationship networks on both sides, relied on each other and lived together without any boundary lines in mind. This community network protected trade and travel activities based on complex profit and conflict structures, trade, illegal goods, drugs and illegal border crossings. These problems occurred due to many factors related to each other but people helped each other to share benefits based on patronage relations.

The border trade in border areas of Thailand-Lao PDR., especially in Mukdahan Province is based on trade as a way of life and traditions of the exchanges in border areas. During the globalization and capitalism era, the study community on the Thai-Laos border has turned into a commercial hub while many challenges and conflicts have arisen as a result of changes in the community. International economic activity as a result of the expansion of capitalism and the free market has led to significant border trade activity between Thailand and Lao PDR and the trading activities of border traders are an important reflection of regional and global economic integration.

Cross-border trade connects the local and the global as the activity always happens around the borders of nation states as carried out by various groups of people. Most trading activities happen between countries that have the different level of development. Cross-border trade is like a hub between the global and the local and shows up in many types of activity around border areas. In the past two decades, cross-border trade between Thailand and its neighbors has grown significantly and especially between Thai and Lao-PDR and is representative of the current trend towards global economic connections, meanwhile Lao-PDR still has a mostly localized trade pattern.

Local is shown through the border trader was not acting independently because the structure is limited by the conditions in the global and local, state influence. Thus, the connection between globalization with local

knowledge it takes place under the negotiating process and continuously. Connection takes place under the inequalities of power in social networks, economy and trade.

The process of constructing social networks and power relations of traders in the area of border trade is a negotiating process to the structure of being. "The economic action" (economic actor) who are aware of that perception. The economic activities in the border areas; the action is justified a practice that existed before the state will have a role in controlling the border areas as well as ways to control the trade.

However, the border does not need to be under the influence of the state capitalists, multinational or big capital, may commercialize formed by a group of local traders, local can overcome the barriers to trade that have performed well. Smoothly and efficiently as possible as in the case of cross-border trade, import export of agricultural products across the border, Thailand-Lao PDR. Mukdahan used in the creation of social networks and power relations. Constitutes a reproduction, social relationships and is used as a basis to build economic relations and benefit from the market under the principles of free trade, the multinationals were highly influential in setting government policies. And potential benefits in the territories. In terms of who controls the means of production; the output is a major buyer; the foreign direct investment in manufacturing; the joint venture with local companies or boosting productivity in the contract.

The connection between economic management in terms of economic networks, social management such as social networks includes the construction of relations power between the import and export of agricultural product entrepreneurs whose patronage networks overlap as embodied in the Thai's social structure which has become an important factor leading to social and economic stability. Patronage relationships under different of economic and social statuses have made this group of people exchange goods for each others' profits and led to the construction of social relationships based on individual needs and interests.

Border trade activity between Thai and Lao-PDR involves both Thai and Laos entrepreneurs and is an important reflection of regional economic integration and global economic integration. Activities occur between people or entrepreneurs of each country without contracts, most of the goods are necessities or daily consumption products traded in the local currency. International trade can be done with or without customs, due to an easy logistics process that is hard to control.

The local economic system needs to depend on border trade, so that we can say this is an independent sub system of Thai's mainstream economic system; moreover, the incomes and profits from border economics also influence the social and economic structures of border communities, especially as the dynamics of the border economy is connected to politic factors, power structures, relationships, local influential people, the patronage system and politicians and local officials as shown in Fig. 1. Thai border trade is an economic relationship based on patronage relationships such as horizontal relationships between retail entrepreneurs, vertical relationships between capitalist-retail entrepreneurs and between the state and entrepreneurs.

Consistent with a review of the status of sociology's knowledge that capitalism is an initiating factor for international economic trade growth, border trade activity is a direct result of social transition and globalization had made border trade play an important role to drive communities and countries forward. The study border community is based on flexible social relationships, especially patronage relationships that reflect power relationships and the cultural capital of people and the community.

Therefore, we have to understand this border area's relationship and change our perspective about the flexible social relationships, culture and economic activities upon which most relationships are based; on a structure that allows change, bargaining, trade and dependence to create a new paradigm. The border area is under liberalist control and has become more flexible; giving more opportunity for change and bargaining to take place and for more people to get involved.

This research focuses on Mukdahan Province due to its international economic potential as it has a border with Lao PDR linked by the Thai-Lao Friendship Bridge 2 (Mukdahan-Savannakhet). In addition, Mukdahan is located on the "EWEC" route that links Vietnam, Laos, Thailand and Myanmar together. For this reason and its great potential, Mukdahan province has been chosen as "The East gate to Lao-PDR and Middle Vietnam" by the Office of the National Economic and Social Development

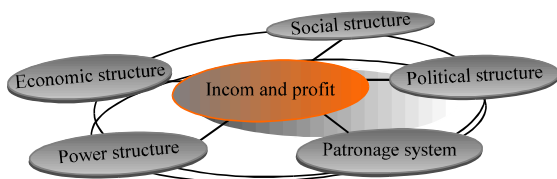


Fig. 1: Structural influences local economic system

Board to the support development of economic trade, investment and travel between Thai and its neighboring countries.

Thailand might encounter both crises and opportunities when the Asian Economic Community (AEC) is implemented in a few years but if Thais prepare thoroughly, the AEC will not affect them that much and they should even find some opportunities. If we can understand the relationships within social networks of border traders, this will help us understand the underlying data that supports the development of effective social networks to manage social and economic relations between border traders in the Thai-Lao border trade system.

MATERIALS AND METHODS

This study aimed to examine the formation of economic and social networks in a group of import-export border traders operating between Thailand and Lao-PDR both formally and informally; plus their participation as members of the Chamber of Commerce. The Chamber of Commerce is a representative formal economic institution that drives the border trade economy between Thailand and Lao-PDR while there is another group of informal border traders too. The formation of both groups reflects their ability to access networks in different ways and leading to power relations and power at different levels.

Qualitative research methodology was employed in the study. Data was collected from an observation, interview and group conversation. The area of this study is in Mukdahan Province. In a historical context; Mukdahan is a border city in the northeastern region of Thailand and is located next to Lao PDR. It also has a Thai customs checkpoint. This area is open to international commercial activities, preferably the import and export of goods.

Key informants are border traders involved in the import and export of agricultural products including those from the public and private sectors involved with border trade activities and so closely related to Thailand and Laos' border trade policies, Chamber of Commerce members, the office is the center of commercial affairs. I selected my key informants using purposive sampling with the criteria for selection including: experience in conducting economic activities, particularly the importing and exporting of products through Thailand-Laos customs and possessing power relations or take part in any power structure with other traders such as a network or group. They also had to be involved in commercial activities and have knowledge, understanding and experience and be able to provide information related to border trade activities between Thailand and Lao PDR.

RESULTS AND DISCUSSION

Economic sociology is a science that studies the relationship between economic and social factors, plus social impacts and social conditions in an economic system (Smelser and Swedberg, 2005). I will use this concept to create a framework to analyze economic phenomenon in the form of the import and export of agricultural products between Thailand and Laos at the border.

Granovetter (1985) sees that the solution of the economic action is not independent but depends on social networks. The role of the individual in a society that has economic activities starts by learning from a network of interpersonal relationships; meanwhile the market also has its own social entities which are managed by groups of people and involve trade and the market and these groups build networks of expectations and especially reciprocal exchange, dependence and sympathy.

Granovetter suggests that the beginning of economic activity is a social activity of capitalism, focused on an understanding about embeddedness, embeddedness in Granovetter ideas, means social networks, so this analysis must use the network approach to study the role and importance of networking (Granovetter, 1985).

Economic networks according to Granovetter idea performs well in an informal manner, besides having economic networks based on interpersonal relationships, economic activity helps decrease government roles or inefficient management of bureaucracy. Therefore, social institutions such as social networks should take the lead in economic activities (Granovetter, 1985).

I have added further assumptions to Granovetter that the harmonization of economic networks should be considered both formal and informal social networks, because the unique characteristics of border areas appear to have a structural overlap between old, local socio-economic relationships that are informal and socio-economic relationships under the regulatory control of the state and capital.

From this suggestion, I would like to study the formation of economic and social networks in a group of import-export border traders operating between Thailand and Lao-PDR both formally and informally; the formation of both groups reflects their ability to access networks in different ways and leading to power relations and power at different levels.

In the 1960s, economists proposed an important point of view the objective of which was to encourage the importance of the dimensions of power, especially in economic analysis to better understand the world in

reality not from a model. Power must be the center of analysis, especially in capitalist economics such as studying the domination of economic power because power cannot be separated from problems of human life and liberty. Also, economic power can be present in various forms.

Annotated the work of institutional economists related to important issues such as: dimensions of power in the new economic system, large enterprises' power to control the entire economic system, the relationship between laws and economic processes related to power, social rules regarding the role of large enterprises and the international economic system as a power system. This analysis focused on power issue and used this to solve economic problems including managing resources and distributing profits and goods.

The philosophy of the institutional economic idea is "economics is a power system" that involves management and control; the power structure influences income determination, employment, production, prices, the sharing of income and resource management. In Samuels' view, this idea of power might include the "power base" such as proprietary rules, income, ascendancy, economic rights and all economic behaviors related to the process and power structures.

With the social transition to a capitalist society; the definition of power has also changed. The view is that power as a defining characteristic of human relationships, represents the ability of individuals to set targets. Power is an important phenomenon within the social economy and is a truth without doubt. The relationship between economic representatives is also like other social relationships that consist of power elements.

There are three aspects to power in social theory: power to control, power in dependence and inequality power. Studying these three dimensions of power shows social and economic relationships that reflect inequality and lead to many problems such as dissatisfaction and tensions and can lead to social movements that aspire to change as seen by the development of conflict sociology theory which shows the link between power, power structures, resource distribution and social conflict within new economic systems (Collins, 1975).

From studying power in the institutional economy, one can consider the phenomenon that take place among stakeholders in the border trade system. One finds that the existence of power among border traders is based on relationships, especially those in the form of dependency which can be of both a high and low level of dependency. In addition, relationships can be both equal and unequal based on different of resource ownership levels such as having funds having a network, participating in social

groups having experience in business, access to information that benefits business and so on. In an unequal relationship, resource distribution becomes the basis of power; actors in the network who have more resources will have more power than those who have fewer resources.

The assumption of this study, forming or becoming a part of economic and border trader's social network can lead to advantages in trade activity and these can be a problem due to the formation of such networks based on power relationships between economic institutions.

The results of studying the border trader's networks on the Thai-Laos border show that in Mukdahan's border community the border traders are "influencers" at the local level who own property, reputations and power, allowing them to control those resources that make them different from other people in the community.

People in this group take advantage of their good relationships and connections with outsiders or government staff as well as the market structure to accumulate surplus value by storing rents, wages and interests. These people have the ability to set retail prices and control the distribution of products and will try to maintain their power by becoming members of committees at every level, plus taking part in various activities in the community. This may include providing direct economic patronage.

These local power structures help us to analyze the secondary network of beneficiaries based on exploitation including the government that runs the agency and relationship structure. The relationships formed are based on economic profits, politics and culture in the form of an integration of both formal and informal activities; include public, individual and economic activities both legal and illegal.

The results of this study found that power among the border traders had not been monopolized by the central authorities based in the main official institutions of power in society but has been shared across all areas of social relations, representing variety in terms of everyday practices and depending on the context. The exercising of power and power relations cannot be separated from each other and from other forms of social relations. Power is present in all forms of social relations.

Power relations among the border traders are not obvious but relate very much to personal factors such as gender, age, education and income levels, work periods, expectations regarding the benefits derived from both objects and non-objects, perceptions about turnover, the ability to access to information and positions within organizations as well as societal and social relations factors such as the size of the group, the type of relations

(mutual or non-mutual-unilateral, bilateral or multilateral), the durability and stability of relations, the formal and informal aspects of relations, the communications aspects of relations, emotional ties and aspect interest ties. The final factors influencing such power relations are economic factors including the resource base of the patronage network, ownership of the resources in terms of expertise and knowledge, direct control of the property, indirect office based property and the resource base of the clientele. These factors work together to impact upon the complexity, in practice of relationships and also occur in space, situation or different contexts. The various institutions associated with border trade; government organizations, the private sector, bureaucracies, business groups and entrepreneur networks; all these entities are associated with power.

Consistency with Bourdieu's study and analysis of how cultural relationships of power form between social classes are limited (Bourdieu, 1991). Within the context of border trade, it is controlled by a form of patronage system which is a cultural structure that has its roots in Thai society. This culture encourages the use of power by adhering to patronage relationships, using cultural resources and becoming involved with practices at the local and government levels, including institutions associated with border trade. These entire serve to maintain and inherit the inequality found in social relationships and especially patronage relationships among border traders.

The border traders' network exists in the form of a social organization and this defines the characteristics of the exchange relationships that exist between the border traders, all of whom have different economic and social statuses. Even within the membership of the Chamber of Commerce is informal exchange relationships are embedded, a reflection of the unequal exchanges that take place including the use of face-to-face relationships. A lot also depends on the ability of the e border traders to negotiate within the process. The relationships that occur overlap in terms of power, kinship and patronage relations.

The Thai-Lao PDR border trade system also involves the integration of border traders in the form of informal institutions, those corresponding to formal institutions. The integration of both features reflects the ability of individuals to access power relations and also reflects the differentiations of power and social network building capabilities of the border traders, based on two types of relations. The border traders establish networks based on social relationships in order to exchange and protect benefit, using social capital such as trust and membership of a network, the basic purpose of which is to satisfy the

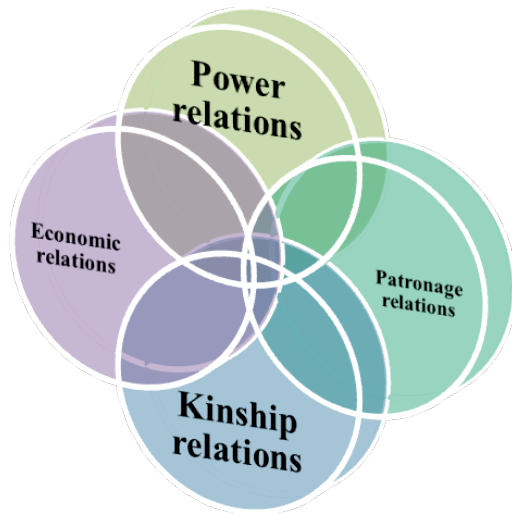


Fig. 2: The border traders' social network

needs and interests of the individual. While border traders are focused on profits and benefits for themselves, they do not operate separately from the traditional social structures in place.

Patronage relations appear in both vertical and horizontal forms. Vertical relationships are relationships among minor traders while horizontal relationships are relationships between capitalists/major enterprises and minor traders or state government organizations those with the authority to issue policies on trade and local traders.

The border traders' social network is formed based on the use of overlapping patterns of power, kinship and patronage relations as well as economic relations. These complex and indefinite relationships depend on the ability of people to negotiate with those who interact with the process as shown in Fig. 2.

In the border trade context, patronage relations are deep-rooted in Thailand's culture and encourage the use of power through patronage relations, culture resources, local operations and government including institutions related to border trade and all of these maintain unequal relationships within the society and especially, patronage relationships among the border traders whose import/export businesses operate around the Thai-Lao-PDR border.

Conditions conducive to the social networks and the power relations in border trade:

- Border areas are often areas that have reduced some rules
- There are flexibility of crossing such as people money and culture

- Border areas are the area of the clashes, coordination of benefits, negotiated, gatherings, cultural exchanges and transnational business of networking. Both national and local levels between the two countries
- The area is managed jointly between the two states. To maintain a balance between permitting and control facilities along the way including the development of transport facilities and utilities from the big city to the border town to stimulate and motivate businessmen

CONCLUSION

Social networking and power relation are form of relationships. Resources and social capital, communities along the Mekong River used to control, allocation, sharing, race, treatment and take advantage. The group of people who are members of a social group often face interaction or under the authority of each other. In particular, the relationship of the border trade on the border with Thailand-Lao PDR. The border trade has created a social network with other members of society. Is a fundamental condition that leads to power. And on the other hand, it is a state or condition requiring the power of social relations and a form of social networking. Which looks different depending on the context of a relationship.

This study has shown that border traders are able to overcome barriers to their business operations by calling on their social networks and business skills. The study found that the border trade group operated through a social network between people who speak the same language from a similar racial group, among their relatives or among those in the same locality. These special characteristics not only promoted a tight knit relationship within the network but they were also used as a strategy to conceal from the authorities.

They work within a social community which includes other border traders, transporters and other parties. The combination of these social linkages gives the border traders advantages in terms of minimizing problems, building trust and increasing the scope of their capabilities. At the same time, they use these social networks to guard against other parties wishing to take advantage of them. Social capital, in terms of social networks is recognized as providing a platform for connectedness among the entrepreneurs within related economic sectors. Social capital is not only a platform for economic negotiation but also includes elements of collective motivation, shared learning and ways to reshape social structures within the border community, based on the work of the Chamber of Commerce, the patronage system and kinship relations. In the last decade

(2550s BE) after the Thai-Lao Friendship Bridge 2 (Mukdahan-Savannakhet) had open, local traders had transformed themselves from a small business owner to a coordinator for a big funder to decrease a risk of profit loss while unofficial cross border trade faced difficulties. Three important strategies were employed; systematic network, profit sharing in the network and improve their negotiation skills of the coordinator.

ACKNOWLEDGEMENTS

This study is a part of the dissertation (Sociology) of Faculty of Humanities and Social Sciences, Khon Kaen University, titled "Thailand-Laos PDR. Border Trade: Power Relations of Thai Imports-Exports Entrepreneurs of Agricultural Products". This study was supported by Research Fund for Supporting Lecturer to Admit High Potential Student to Study and Research on his Expert Program, Graduate School, Khon Kaen University and the

Center for Research on Plurality in the Mekong Region (CERP), Faculty of Humanities and Social Sciences, Khon Kaen University.

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