TRUST, IDENTITY, AND COMMERCIAL ADVANTAGE: HAINANESE
UPWARD MOBILITY IN THE RICE TRADE ON THE EAST COAST OF
PENINSULAR THAILAND (MID-19th CENTURY—1980s)

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ABSTRACT

YAN LIU: Trust, Identity, and Commercial Advantage: Hainanese Upward Mobility in the Rice Trade on the East Coast of Peninsular Thailand (Mid-19th Century—1980s)

(Under the direction of Michael Tsin)

This thesis examines the rise and decline of the rice trade on the east coast of peninsular Thailand from the middle of the nineteenth century to the 1980s, in order to rectify the image of the Chinese middleman in Southeast Asia as the evil “blood suckers”; furthermore, to demonstrate the heterogeneity inside the Chinese community in Southeast Asia, and the hierarchical structure and mobility within a specific trade; in addition, to emphasize the significance of personal trust and credit relationships embedded in particular exchange relations, in the traditional markets characterized by contract uncertainty where the legal framework for the enforcement of contracts is not well developed.
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INTRODUCTION

Since the Ayutthaya (อนุทัย) period (1350-1767)\(^1\), Nakhon Sri Thammarat (นครศรีธรรมราช)\(^2\) has been a principal rice-producing source for southern Thailand, even for Malaya. During the reigns of King Rama III (1824-1851) and King Rama IV (1851-1868) of the Bangkok Dynasty, the rice-producing source moved from Nakhon Sri Thammarat\(^3\) to the Pak Phanang river basin\(^4\), a part of Nakhon Sri Thammarat province, and to areas around the Songkhla lagoon\(^5\). During this period, the rice trade

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1. Ayutthaya was Thailand’s second dynasty, which existed from 1350 to 1767. King Ramathibodi I (Uthong) founded Ayutthaya city as the capital of his kingdom in 1350 and then absorbed Sukhothai kingdom in 1376. Over the following four centuries the Kingdom expanded and became the nation of Siam. Ayutthaya emerged as the international commercial center in Southeast Asia and attracted many foreign businessmen from China, Japan, Persia, Spain, Portugal, and France.

2. Nakhon Sri Thammarat is the second largest province in southern Thailand, which is 780 kilometers from Bangkok. It occupies an area 9,942 square kilometers consisting of high plateau and mountains in the west then sloping down towards the east and becoming a basin along the coastline of the Gulf of Thailand.

3. Nakhon Sri Thammarat city is the capital of the Nakhon Sri Thammarat Province. It is one of the oldest towns of southern Thailand.

4. Pak Phanang river basin is the rice bowl of southern Thailand, which is covering 760,000 acres and encompassing Pak Phanang, Chien Yai, Hua Sai, Chaot, Ron Phibun, Chulabhorn and Phra Phrom districts.

5. Songkhla lagoon is the largest lagoonal water resource in Thailand and Southeast Asia. It is located in southern Thailand and surrounded by three provinces which are Songkhla, Phatthalung, and Nakhon Sri Thammarat. The total drainage basin area is 8,233 km\(^2\), of which 1,042km\(^2\) is lagoon surface.
of the Pak Phanang river basin prospered because of the large increase in demand in the Singapore and Malayan markets. So from then on, until the Second World War and fifteen years after the War, the territories around the Pak Phanang river basin and the Songkhla Lagoon were important for their rice production of the region. A large number of rice mills were established by Chinese merchants, especially the Hokkiens and Teochius in Pak Phanang, Phattalung, and Songkhla. Even during the War, when trade restrictions were imposed, rice production and trade by no means ceased. But from 1957 onwards, decline progressively set in. The yield of paddy decreased. Wave after wave of natives of the Pak Phanang river basin began to emigrate out, deserting their old farms and seeking a new place to live and a different means of livelihood. The old big or middle rice mills of the Hokkiens and Teochius went out of business in increasing numbers, and replaced by a series of newly founded small rice mills owned by Hainanese, the former middlemen in rice trade. However, today those that remained could not recover its former glory.
What caused the decline of the rice trade in this region as well as its earlier prosperity? How did the small Hainanese rice mills replace the big and middle Hokkiens and Teochius’s rice mills? How did they win the fierce competition among the rice mills?

The crucial role of the Hainanese people in both the development and the decline of the rice trade in southern Thailand is a key to understand these questions. The Hainanese have long been well-known for their poverty, low social status, and their close relationship with the indigenous Thai people among the five main Chinese speech groups, especially on the east coast of southern Thailand. In the rice trade of this region, their poverty made it difficult for them to compete with the rich Hokkien
and Teochiu businessmen, thus leaving them as rice middleman—a labour-intensive, time consuming operation. They performed the gathering and standardizing services for the scattered small surpluses of a wide range of crops and products, and transported the rice to the Hokkien and Teochiu owned rice mills. They also loaned money, provided credit and inputs for crop production to the poor farmers. Furthermore, they served as the major source of market information and agricultural innovation for Thai farmers. Through all these services, Hainanese middlemen provide an ethnic buffer, making use of their own connections in the Thai villages on behalf of the town-based Chinese rice miller. The mutual trust and credit relationships they established with the local Thai farmers helped them to win the later commercial competition with the Hokkiens and Teochius.

With the invention of a new thresher in 1949 (B.E.\(^6\) 2492), and its sale in southern Thailand, the cost of rice mills and the capital that was needed to open a small rice mill were sharply reduced. It made possible for these Hainanese middlemen to open small rice mills of their own with a small amount of money. The years between 1949 and 1957 saw the establishment of a large number of small rice mills in southern Thailand. However, in 1962 (B.E. 2505), 1975 (B.E. 2518), and 1981 (B.E. 2524), several massive floods occurred in the area of the Pak Phanang river basin and Songkhla lagoon region. The floods disrupted the rice crops and even affected the content of soil in these areas.\(^7\) The decline of rice yields made it difficult for the rice

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\(^6\) B.E. means the Buddhist Era. (ปีพุทธศักราช). It is the official and prevalent calendar in Thailand since 1888. The year in the Buddhist Era is 543 years earlier than the Christian Era. For example, A.D. 1949 is equivalent to B.E. 2492.

mills to find enough paddy-rice. The competition among the rice millers got harsher than before. With the good relationship the Hainanese built with the Thai farmers when they were middlemen, they could more easily and cheaply get the rice resources from the farmer than could the Hokkien and Teochius, the owners of the big or middle rice mills. Consequently, the Hainanese replaced the Hokkien and Teochiu rice millers in the rice-producing and trading system in Pak Phanang river basin and Songkhla lagoon region. But the commercial victory of Hainanese also accelerated the decline of rice trade in southern Thailand.

OBJECTIVE AND METHODOLOGY

This study is concerned with the Hainanese commercial mobility in rice trade on the east coast of peninsular Thailand. It covers the chronological period from the middle of the nineteenth century, when Siam was integrated into the European world-system, and the rice trade prospered in the Pak Phanang river basin and the Songkhla lagoon area, to the 1980s when the rice trade declined in this region. The rice trade on the east coast of peninsular Thailand became representative of the wider phenomena of the Chinese commercial activities in Southeast Asia. The Chinese migrants almost dominated all the processes in rice trade, from collecting the surplus of rice from the farmers, milling and transporting it, to distributing the rice in the domestic market and exporting it to foreign markets, throughout the three stages of rice trade development in peninsular Thailand. Their economic monopoly determined
by historical, cultural, and social factors also made them the object of criticism as exploiters of the Thai farmers.

Turning the analysis of the rice trade in peninsular Thailand to the division among the Chinese speech groups in the rice trade compelled outside observers to take a close look at the organization or structure within the Chinese community in Southeast Asia, especially in peninsular Thailand. The hierarchical structure of rice dealers in the first and second stage illustrates the polarization among the Hokkien, Teochiu rice millers and Hainanese rice middlemen. The commercial competition among them demonstrates the heterogeneity among these Chinese speech groups, the struggle of the Bangkok-oriented Teochiu system and the former Penang-oriented Hokkien system in playing the definitive role in determining the character of local social life and market, and social upward mobility of the Hainanese.

A second component of my research reviews the close relationship between the Hainanese and the indigenous Thai people, especially the mutual trust and credit relationship established between Hainanese rice middlemen and Thai farmers. This kind of personal relation would help one better understand how the middleman system works in the traditional markets of undeveloped countries.

Such a study facilitates our comprehension of the larger narrative on multiple identities of Chinese migrants in Southeast Asia, and their commercial success. The idea of multiple-identities of Chinese migrants is first expressed by Wang Gungwu in his essay *The Study of Chinese Identities in Southeast Asia*. Through an examination of Chinese identities in Southeast Asia during the nineteenth and twentieth centuries, Wang finds the co-presence of multiple identities among Southeast Asian Chinese, which include local national identity, communal identity, ethnic identity, nationalist identity, past-oriented historical identity, cultural identity, and class identity. The manipulation of these identities is determined by political, economic, social professional and class factors.
main objectives of this essay are: (1) to correct the image of the Chinese middleman in Southeast Asia as the evil “blood suckers”; (2) to demonstrate the heterogeneity inside the Chinese community in Southeast Asia, and the hierarchical structure and mobility within a specific trade; (3) to emphasize the significance of personal trust and credit relationships embedded in particular exchange relations, in the traditional markets characterized by contract uncertainty where the legal framework for the enforcement of contracts is not well developed.

Most of the data in this study are collected through fieldwork in the region, which included in-depth interviews and the gathering of useful primary or secondary materials. During the field trip to Thailand from March to June 2004, fifty-four formal interviews were conducted with Hainanese and non-Hainanese people in Bangkok and the east coast of peninsular Thailand, as well as in Krabi, which is the capital city of Krabi province on the west coast. Twelve interviews in Bangkok helped to get a general understanding of the Hainanese society in Thailand and the relations between Hainanese on the east coast of peninsular Thailand and the Chinese migrant community in the capital. The other forty-two interviews were arranged to obtain their life stories, their relation with local rice trade, and local Hainanese community’s development in each province in the South. Some non-Hainanese interviewees are also chosen for their importance in rice trade and local Chinese society.

However, although oral history is a powerful means to gather and preserve the unique memories and life experiences of these Chinese migrants through recording their participation in past events, to understand their feelings and attitudes which have
been hidden from history, and to create a more vivid and accurate picture of the past, we should pay attention to its inherent weaknesses, such as the self-serving motives of the story teller, in the re-creation of interviewee’s lost memory. In this essay, I would indicate the point or argument which is drawn from my interviews.

HISTORIOGRAPHY ON CHINESE MIDDLEMAN IN THAILAND

Throughout the oriental world, middlemen are not beloved. In traditional Chinese culture, merchants as a class ranked below the peasant and artisan; in Japan, they were also the lowest class in society. Middlemen were often viewed as a group of people cheating both the producer and the consumer in the process of transferring ownership of commodities from one to the other. In Southeast Asia, Chinese migrants became a large proportion of merchants and dealers, and handled a major share of domestic and foreign trade. From 1600 to 1900, Europeans repeatedly labeled these Chinese middlemen as “the Jews of the East” in terms that stressed commercial ability, greed, and subservience.

Generally speaking, Chinese middlemen in Thailand were treated with little hostility until the beginning of the twentieth century. King Vajiravudh may have seen as the first person to make the comparison between the Jews in Europe and Chinese in Siam. He faulted Chinese entrepreneurs for being entrepreneurs. He criticized the Chinese for thinking that money was the “beginning and end of all good. There is

nothing greater”, and said that Chinese appear “to be willing to do anything and everything for money….Chinese are willing to endure every sort of privation for money”. Since then and particularly after the revolution of 1932, which transformed Siam from an absolute to a constitutional monarchy, Thai nationalism and anti-Chinese sentiment began to grow. The belief that Chinese middlemen were exploitative began to spread among the Thai people.

Under these circumstances, Carle Zimmerman, a professor of Sociology at Harvard University, conducted an economic survey of the Siamese rural population in 1930 with a group of government officials from the Ministry of Commerce and Communications and other government agencies. His book, *Siam Rural Economic Survey, 1930-31*, pointed out, “Through ignorance of the farmers (in remote areas) regarding the market prices, the middlemen are often able to buy (crops) at prices which leave them a large margin of profit”. Four years later, James Andrew, a professor of Anthropology at Harvard University, conducted the second rural survey in Thailand in order to test Zimmerman’s opinion on Chinese middlemen. Andrew thought that Zimmerman overestimated the profit of rice trade and the interest of debt that Chinese middlemen earned. Then, Doll, a financial adviser to the Thai government, estimated in 1937 that about 50 percent of the export price of rice went to pay Chinese millers, exporters, and middlemen, and that the greatest share of this

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The early scholars of Chinese migrants in Thailand all criticized the middlemen. Kenneth Landon stressed the excessive interest demands, unfair treatment of the farmers, and unfaithful practices of Chinese rice middlemen. James C. Ingram ascribed the agricultural problems of Thailand to the system and method of middlemen in his famous work *Economic Change in Thailand, 1850-1970*. He complained that the various functions of middlemen were mixed together so it was impossible to estimate the cost of any single function. In addition, the seasonal variation of price, standards of quality and volume used in selling it all complicated the agricultural problem in Thailand.

With the economic development and political change in Thailand after the 1980s, scholars re-estimated the role and function of these Chinese middlemen in national economy. A series of studies conducted in the 1980s showed that rice marketing in Thailand is acceptably fair. For instance: Preecha Kuwinpant working in Phitsanulok province in north-central Thailand found profit margins to be approximately just 5 percent of the price prevailing at the next level in the marketing chain. Kanok Wongtragan estimated that farmers in the upper central plains

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15. Preecha Kuwinpant, *Marketing in North-Central Thailand: A Study of Socio-Economic*
received nearly 73 percent of the consumer price of rice. A study undertaken by Chulalongkorn University in the northeast in 1980 recorded a similar figure of 72 percent. Jonathan Rigg reviewed the role of middlemen in the agricultural sector in Thailand, and argued that middlemen provide a fair and efficient marketing service to the farmers of the kingdom. The increased ease of transportations, the wider diffusion of marketing information and the heightened competition between middlemen have had the effect of reducing the potential for exploitation and lowering marketing margins to an acceptable level.

Some scholars also examine the role of middlemen in the larger Thai socio-economic context. Hall used the middlemen to understand the patterns of vertical integration in rural Thai society, and the cleavages, horizontal mobilization and growing rural unrest in Thailand. Peter Gosling compared the crop dealers in both Malaya and Thailand and pointed out that the Chinese middlemen were efficient and acceptably honest to local farmers.

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However, I observe a common deficiency in all these studies on Chinese middlemen in Thailand, because they generalize the Chinese middleman as an entirely homogenous group without analyzing deeply into the inside of it. No work has noticed the different functions and status of middlemen who belonged to the different speech groups. In fact, these differences would help us to better understand the middleman system, to evaluate the efficiency and honesty of the middleman. Thus this essay will try to fill in this blank.

CHAPTER TWO: CHINESE MIDDLEMEN IN THAILAND

CHINESE MIDDLEMAN IN SOUTHEAST ASIA

In Southeast Asia, Chinese have dominated both the domestic and foreign trades. A number of overlapping historical, social and cultural factors accounted for the reasons why they became the middleman, and how they became successful in commercial activities.

Historically, when a large number of Chinese migrants arrived in Southeast Asia in the second half of the nineteenth century, commercial production and market exchange on a wide scale was just developing. Many opportunities opened up for middleman activities, often requiring relatively little capital. The indigenous people had access to abundant supplies of land, but no access to capital and to growing urban and international markets, and remained in agricultural production. This left the urban-based Chinese immigrants to fill the vacuum in trade, marketing, commerce and service occupations.\(^{21}\)

Socially, according to ancient Chinese social philosophy, a person’s hometown is the starting and ending point of the life. A hometown and its inhabitants are like the

roots and leaves of a tree. Chinese migrants retained strong links with their homeland and intended to return there eventually, after they managed, hopefully, to make fortune overseas. The concept is epitomized in the Chinese idiom “Falling leaves settle on their roots.” So the Chinese had little incentive to invest their savings in a fixed resource. Instead, they preferred to remit savings or invest and accumulate them in enterprises which kept their capital relatively liquid, and turned over quickly. The occupation of middleman is ideal for them. 22

Culturally, the success of the Chinese in Southeast Asia is frequently attributed to their “neo-Confucian” cultural heritage and their virtues of hard work, thrift, and mutual help among kin 23. Comparing to the indigenous people, a high proportion of Chinese migrants have been more entrepreneurial in their business activities.

Structurally or institutionally, the family-based firms, the commercial networks, the clan associations, and the speech groups are crucial for the Chinese economic life in Southeast Asia. The focus of these institutions stressed two factors: relationship of trust or credit, which are defined by Mackie as:

“The Universal reliance on xinyong (trust, credit-worthiness) as the glue that holds the edifice of commercial transactions together; and guanxi (personal connections) are devices for reducing the transaction costs involved in conducting business in situations where legal safeguards for contract enforcement have often been unreliable…”24

22. Linda, Skinner, Liu Hong and other scholars on Chinese community in Southeast Asia all stressed this point.

23. The main theories and writings in English on the factors most relevant to an explanation of the entrepreneurial talents of the Southeast Asian Chinese are summarized in Mackie’s two essays in 1992 and 1995, and Skinner ’s Chinese community in Thailand, p. 93

In fact, the trust and credit relationships do not just exist among the Chinese migrants. In this essay, I will argue that the close relationship between the Chinese and indigenous Thai people is also a decisive factor in commercial competition.

HETEROGENEITY AMONG THE SPEECH GROUPS

The Chinese migrants in Southeast Asia are by no means homogeneous. The heterogeneity among them is an important factor in their history and present position. The Southeast Asian Chinese have their ethnic and cultural identity in complex ways. Although the Southeast Asian Chinese often have multiple identities, as do many cosmopolitan sojourners throughout the world these days, the most significant and pervasive divisions are those among speech groups. The analysis of this essay is based on the relatively strength of this subdivision among the migrants.

Over 90 percent of the Chinese in Southeast Asia came from the provinces of Guangdong and Fujian. They are divided into five main groups according to their different dialects and native places in China: Hokkien, Hakka, Teochiu, Cantonese, and Hainanese. Each of these five speech groups has fairly rigid occupational specialization and different social status. The last two centuries saw the continuing transformation of the economic and social dominance among the groups, and the process of breaking down of traditional occupational specializations since the turn of the twentieth-century.

Let’s take Thailand as an example to view the divisions among the five speech groups. According to Skinner’s summary in 1957, Teochius and Hokkiens were of the highest status in Thailand. Teochius dominated most of the lucrative trades, including rice and other local products, imported textiles, and Western foodstuffs, and they virtually monopolized pawnbroking. With the disappearance of tin mining as a result of the depletion of this ore, Hokkiens’s commercial advantage declined in some degree. However, they were still prominent among merchants and dominated the tea business and rubber export. Cantonese, who came next in the prestige ladder, were predominated in the silk piece-good trade and took jobs as printers, machine-shop proprietors, machinists, and construction workers. Hakkas and Hainanese were almost entirely unrepresented in the occupations of higher standing. Hakkas in particular were the petty tradesmen, especially those dealing in sundry goods, the lesser artisans, including silversmiths, leatherworkers, and tailors, manual labors, hawkers, and barbers. Hainanese offered most of the services in Siam. They were the hotel proprietors, remittance-shop proprietors, tailors, coffee-shop proprietors, goldsmiths, hotel and restaurant employees, domestic servants, barbers.

CHINESE COMMERCIAL MONOPOLIES IN THAILAND

As early as the 1610s, a Chinese writer in Siam stated: “the inhabitants of

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27. Skinner said the Cantonese operated most of the hotels and restaurants. But according to my fieldwork, most of the hotels and restaurants are owned by Hainanese in southern Thailand.
Siam accept the Chinese very cordially, much better than do the natives of any other country; therefore Siam is a country that is really friendly to the Chinese.\(^{28}\) The Chinese traders’ special position in Siam can be traced back to the thirteenth century when they began their commercial relationship with Siam.\(^ {29}\) In the Sukhothai period (1238-1438), some Chinese traders and seamen had already settled in southern Thailand. In the Ayutthayan period (1350-1767), the number of Chinese traders in Siam and the junk trade they carried on between the two regions evidently increased. The situation of Chinese traders in Siam also reached its peak, especially during the reign of King Songthan (1611-1628) and the first three years of King Prasat Thong (1629-1656). All these have been proved by both the Chinese and western records at that time. In discussing a possible Dutch treaty with the king of that Thai dependency, van Nyenrode wrote in 1612 of the Chinese position in Nakhon Sri Thammarat that “according to the draft the Chinese would have to pay only the ordinary tolls and duties, nobody being allowed to do them any harm or cause them any trouble.”\(^ {30}\) Van Vilet also mentioned that the “Chinese from southern Fukien annually brought pretty large cargoes of all kinds of Chinese goods to Siam and returned with big loads of sapanwood, lead and other merchandise.”\(^ {31}\) A Chinese source published the following year in 1617, describing the business conditions in Patthani, stated that “Chinese

\(^{28}\) Tung-his-yang Kao (《东西洋考》), 1617. Quoted from Skinner 1957, p8.

\(^{29}\) Skinner. p1.


residents are numerous, their toes following one another’s heels…. When goods are
sold, they do not dare impose any duties on us,”32

The short Thonburi dynasty(1767-1782) saw a rapid increase of the Chinese
migrants in Thailand, since the founder of the kingdom, Phraya Taksin, was a
Sino-Thai himself. His father was a Chinese migrant from Huafu in Chenghai county
in Chaozhou. He was therefore a Teochiu. Thus the social status of the Teochius was
highly upgraded in the country.33

In the early Bangkok period (from Rama I to Rama V), an important reason
for the significant Chinese role in the trade and economy of Siam was that the
Siamese kings had a policy to offer favorable treatment to Chinese without
discrimination or oppression. Moreover, they were granted the same rights as local
Siamese in terms of settlement and opportunities to engage in trade, agriculture,
shipbuilding and navigation, which other foreigners could not have.34 Chinese were
also exempt from the corvee system, unlike Thai or other ethnic groups in Siam.

The year 1910 has been identified as a turning point in the relationship
between Thais and Chinese in Siam. It saw a change of ruler from King
Chulalongkorn, a friend to the Chinese, to King Vajiraudh, a British-educated
nationalist and proponent of anti-Sinicism. He publicly criticized the Chinese as the
“Jews of the East”, and the “blood suckers of Thai farmers”, He said the Chinese are

34. From Yellow River to Chao Phraya River. (In Celebration of Her Royal Highness princess Maha
Chakri Sirindhorn Patron of Thai-Chinese Relations: on the auspicious occasion of her 50th birthday
unpatriotic and do not have a love for Thailand; they had attained their position of dominance in commerce due to the fact that in financial matters they were sharp and unethical.\textsuperscript{35}

With the revolution of 1932 Thai nationalism became more acute and, importantly, the first attempts were made at dismantling the existing ethnic division of labour in which Thais dominated primary production and the Chinese, trade and commerce. This Thai-frication included the tax system was reformed placing the burden of taxation on the Chinese merchant class and a cooperative system was established to deliver Thai farmers from the Chinese monopoly of rice marketing.\textsuperscript{36}

However, most of the processes did not achieve their goals. Until today, the Chinese have still dominated the economy in Thailand.

In the following section, I will demonstrate the way how Chinese community in Thailand organizes itself and at which level their organization affects to the indigenous Thai people.

\textsuperscript{35} Landon, 1941. pp.34-43.

\textsuperscript{36} Ibid. pp.181-86.
CHAPTER THREE: HAINANESE RICE MIDDLEMEN ON THE EAST COAST OF PENINSULAR THAILAND

INTERPRETATION OF CHINESE SOCIAL DIVISIONS AND MULTIPLE IDENTITIES

The heterogeneity among the Chinese speech groups was expanded by their different social status, occupational specialization, and dissimilar degrees of adaptation and acculturation.

The early role of the Hainanese in Siam, as Gutzlaff pointed out, in the 1830s, “those from Hainan are chiefly pedlars and fishermen and form perhaps the poorest, yet the most cheerful class.”37 Their poverty and lowly social standing made it very difficult for them to compete with Hokkien, Tochius, and Cantonese in the urban centers. On the other hand, their low social status and specialization in sawmilling, fishing and services, help them to establish a close relationship with the indigenous Thai people, especially on the east coast of peninsular Thailand. This kind of relationship—the personal trust and credit—was crucial for their later commercial development.

Standard theories of exchange illustrate competitive trade as an impersonal

exchange between anonymous partners. William Stanley Jevons, in his insightful book, *Law of Indifference*, particularly emphasizes the impersonality of transactions: “it is a matter of indifference to the buyer or the seller with whom they do business provided that they obtain the same (homogeneous) commodity at the same price.”

Why, then, has the importance of personal contracts for the Chinese in Southeast Asian trade been constantly stressed?

This is because these theories refer to a world of contract certainty with zero transaction cost. Jack Carr and Janet Landa point out that in such an economy, there is no need to identify trading partners nor any reason for the institution of contract law since trading partners can be regarded as homogeneous with respect to contract behavior. Thus, “impersonal market forces alone determine the pairing of buyers and sellers.” But, in a world of contract uncertainty with positive transactions costs, a rational trader will not indiscriminately enter into impersonal exchange with anonymous traders, but will enter into particularistic exchange relations with traders whom he knows to be trustworthy and reliable in honoring contracts. Thus for traders, developing personal exchange relations is a way of coping with contract uncertainty. Since most of the regions in Southeast Asia still belonged to the ‘traditional’ market, which means it operated with contract uncertainty, the personal contract become a crucial element in economic activities. Furthermore, according to Carr and Landa,

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Chinese middlemen were not just a random collection of Chinese traders. Rather, they were linked together in complex networks of particularistic exchange relations.\textsuperscript{40} Clifford Geertz, for example, emphasizes the importance of “barter friendship” and the institutional peculiarities of the bazaar economy in reducing information costs under contract uncertainty.\textsuperscript{41}

Secondly, what is the economic meaning of the heterogeneity among the Chinese speech groups? What kind of identity does the speech group and clan association bring to the Chinese traders during their commercial exchange process? Why is it important in their exchange activities with each other, or with the indigenous Thai people?

In a world of contract uncertainty, the identity of one’s partner in exchange becomes important in transactions. Carr and Landa indicate that individuals can reduce the risk of uncertain contact by making discriminatory choices of a network of trading partners, and individuals can also form a clublike arrangement for reduction of contract uncertainty. Knight also points out that clubs reduce both risk and uncertainty in trading with club members.\textsuperscript{42} They define a club or clublike arrangement as “any voluntary group deriving mutual benefit from the reduction of contract uncertainty, a public good for members,”\textsuperscript{43} including the Chinese speech group, clan and

\begin{itemize}
\item \textsuperscript{40} Ibid., pp. 102.
\item \textsuperscript{42} Knight, Risk, Uncertainty and Profit. Boston: Houghton Mifflin Company, 1921.
\item \textsuperscript{43} Carr and Landa, pp. 105.
\end{itemize}
occupation association, and kinship unit.

In Southeast Asia where there are positive costs in defining and identifying trade partners, these clublike organizations help to reduce the costs of defining and identifying club members. In Chinese migrant society in Southeast Asia, a miniature of traditional Chinese society which is based on kinship, the nuclear family is the smallest kinship unit, and presents the closest social relationship. The family members are all identified with their birth, and obliged to offer mutual aid among kinsmen. At the same time, with the multiple identities of these Chinese migrants, each member or individual in a family is also embedded in larger social units, such as the kinship-based extended family, the lineage, the clan, the occupation-based guild, the geography-based country association, and the dialect-based speech group, and ethnic group. So that he or she is a member of a series of ever-widening mutual aid groupings of kinsmen, clansmen, craftsmen, and countrymen, etc. In this way, from the smallest nuclear families, to kinship groups, occupation guilds, country associations, speech groups, to the largest Chinese ethnic group, they are all clublike arrangements. For the larger groups, surnames, occupations, hometowns, and dialects are all means of identifying club members. All the members, especially the rich and powerful ones, maintain and preserve reputation of the groups, since reputation is an invaluable intangible asset.44

For instance, surnames are inherited and transmitted from generation to

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generation, and great care is taken by rich and powerful families to maintain the reputation of well-known names. Kinsmen and clansmen of well-known families assert kinship/clanship status to gain preferential access to job and trading opportunities provided by wealthy clan members, who in turn prefer their kinsmen/clansmen as cooperative partners because of their greater trustworthiness and reliability. Analogically, this mutual trust and help also apply to other social groups of Chinese migrants. Thus, kinship, clanship, identities of occupation, hometown, speech-group, and ethnicity are all valuable intangible assets for those possessing them.

With these clublike organizations, the rational trader will classify all of his or her potential trading partners into two categories: insiders and outsiders in each stratum. Under conditions of contract uncertainty, insiders have an advantage over outsiders in appropriating new commercial partner roles for themselves. Thus, for every Chinese in Southeast Asia, he or she has a ‘calculus of relations’45, which will help to minimize the costs of uncertain contracts and choose a trustworthy trading partners. In this calculus, the rational trader ranks all traders in a market into different “grades” of trading partners, according to their descending intimacy with him in a variety of clublike organizations.46 A system of discriminatory rankings established by a typical Hainanese trader is shown in table 1.

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45. Carr and Landa., p. 106.

Table 1: The system of discriminatory rankings established by a typical Hainanese trader.

In this system, for example, since non-Hainanese Chinese traders are socially closer than non-Chinese traders, the former are perceived to be more reliable than non-Chinese traders and hence non-Hainanese traders are assigned to category six, and non-Chinese traders are assigned to category seven.

Thirdly, we know the system of discriminatory rankings of Chinese traders with their multiple identities, but how do the indigenous peoples in Southeast Asia identify and classify their potential trading partners, under the circumstance that both the domestic and foreign trades are dominated by Chinese merchants?

First, almost all the indigenous people recognize the heterogeneity among the Chinese. According to my fieldwork in peninsular Thailand, most of them could identify the main five speech groups: Hokkien, Teochiu, Cantonese, Hakka, and Hainanese; and know their occupational specializations. Furthermore, “barter friendship”—personal trust and credit—are vital for their choice of trading partner and during the trading process. If they trade repeatedly with the same man, and build
a kind of mutual trust with each other, then they will treat this man as their blood
brother, and owe him the same duty of generous and fair dealing that they would owe
a kinsman. The following study on the rice trade on the east coast of peninsular
Thailand would offer us a particular example of this “barter friendship”, which was
established between the Hainanese rice middlemen and indigenous Thai farmers.

HAINANESE’S CLOSE RELATIONSHIP WITH INDIGENOUS THAI PEOPLE ON
THE EAST COAST OF PENINSULAR THAILAND

This section demonstrates the factors which help to explain how Hainanese
built a close relationship with the indigenous Thai people on the east coast of
peninsular Thailand.

First, Hainanese were the real pioneers among the Chinese migrants on the
east coast of peninsular Thailand, and built a good relationship with locals through
their long history of interaction with each other, although the earliest stories of
Chinese in southern Thailand are all about the Hokkien people. The geographical
proximity between Hainan Island and the east coast of peninsular Thailand made it
easy for the Hainanese people to migrate to this region. In fact, the Peninsula was the
first part of Siam to which Chinese were attracted. According to old Thai records,
every year a large number of junks from China called at the various ports and
settlements on the east side of the peninsula.\footnote{Skinner, P.1-2} Hainanese must have constituted a
high proportion of these junks. My Hainanese interviewees in southern Thailand

\footnote{Skinner, P.1-2}
confirmed that it was easier for the Hainanese junks to reach the east coast of southern Thailand than to reach Bangkok. Every year, the Hainanese junks from Puqian, Haikou, Chinglan or other secondary ports of Hainan Island arrived at Chumphon, Surat Thani, Pak Phanang, or Nakhon Sri Thammarat, on the northeast monsoon from December to February and departed on the southwest monsoon in the next summer—from June to July. The journey from Hainan Island to the east coast of southern Thailand usually took one month. In fact, if not affected by any delays, such as storms, the time could be as short as fifteen or twenty days.\textsuperscript{48}

Generally, there are two sea routes from Hainan Island to Pak Phanang and the other ports and settlements on the east coast of southern Thailand. The first one involves departing from Hai-kou port (海口港) or Pu-qian port (铺前港) in Wen-chang county (see Map 2) sailing towards the west, through the Gulf of Tonkin, and then to turn to the south (see Map 2). The other involves departing from Qing-lan (青澜), Bo’ao (博鳌), Teng-qiao (藤桥), San-ya (三亚) (see Map 1) and other ports on the east coast of Hainan Island, and sailing straight south with the northeast monsoon in winter (see Map 3).

\textsuperscript{48} This conclusion is made from the interviews with Mr. Lin Hongce, Mrs. Lim Fu Meiyu, and other interviewees in Nakhon Sri Thammarat, Surat Thani, Songkhla, and other places on the east coast of peninsular Thailand.
Furthermore, the junk trade between the Hainan Island and east coast of peninsular Thailand, which began in the seventeenth century and lasted prosperously for several centuries, also drew the Hainanese to southern Thailand earlier than the other speech groups. According to Han Huaizhun, an eminent Hainanese archaeologist, the old Hainanese traders brought large cargos of all kinds of Chinese goods to southern Thailand, and returned with big loads of local products that they collected here. The most popular local products for Hainanese were the teakwood from Surat Thani and the rice from Pak Phanang. 49

In addition, the Hainanese had an advantage in their ingrown physiological resistance to malaria and other tropical fevers. Hainan Island lies in more tropical latitudes than any other emigrant areas in China. This advantage helped the Hainanese pioneers go into fever-ridden areas in peninsular Thailand, where the other Chinese groups would have found it difficult to live, and settle there.

Second, the environmental similarity between Hainan Island and the east coast of southern Thailand helps the Hainanese easily adapt to the new life in the new land. Their skills in fishing and boatbuilding lured them to seafaring or the boatbuilding yards, and the specialization in sawmilling drew them to logging. At the same time, sawmilling, fishing and boatbuilding were local Thai people’s main occupations,

besides farming. The same jobs drew Thai and Hainanese closer together.

Third, the Hainanese’ domination the gold trade on the east coast of southern Thailand was a vital element in establishing their close relationship with indigenous Thai people. It is well known that goldsmithing is a traditional occupation for Hainanese people in Southeast Asia, who were famous for their skillful craft. Now on the east coast of southern Thailand, Hainanese dominated the local gold trade. The percentages of Hainanese-owned gold shops in the major cities of the east coast are listed below. In Nakhon Sri Thammarat, about 90 percent of 57 gold shops are owned by Hainanese, and a Hainanese, Li Shiguang (黎时光) established the first gold shop—ห้างแสงทอง (时光金行). In Surat Thani, more than 80 percent of 45 gold shops are under the control of Hainanese and the biggest gold shop—ห้างไทสิริ (泰成兴金行) has six chain stores in Surat Thani and Phun Phin. In Hatyai, 60 of 70 gold-shops’ proprietors are Hainanese, and Hainanese own 41 of the total 45 gold-shops in Songkhla. In total, Hainanese control more than 80 percent of the gold shops on the east coast of southern Thailand and the current chairmen of the Hainanese Associations in Songkhla, Hatyai and Phun Phin are all gold-shop proprietors.

50. Interviews with Mr. Fu Qi Cheng on 28 April 2004 in Nakhon Sri Thammarat and with Mr. Lin Dao Zhang.

51. Phun Phin is an Amphoe in Surat Thani province, south to the Surat Thani city. It is the transportation hub of Surat Thani.

52. Interviews with Mr. Feng Suoquan on 30 May 2004 in Nakhon Sri Thammarat; interview with Mr. Fu Jilin on 23 May 2004 in Bandon (Surat Thani).

53. Interview with Mr. Rao De fu on 10 June 2004 in Songkhla.

54. The Chairman of Hainanese Association in Phun Phin is Mr. Feng Suo Quan, in Songkhla is Mr.
Hainanese are the most talented craftsmen among all Chinese and their motivation for becoming goldsmiths is quite simple. One of my interviewees, Mr. Lim Hongce’s explanation is translated and cited here, “Hainanese consider that gold is the most valuable material among all the objects and its value will never decrease. It is easy to buy and easy to sell.” Then with hard work, thrift, and mutual help among kin, and under the booming economic environment of southern Thailand after the Second World War, most of the Hainanese goldsmiths on the east coast of southern Thailand established their own gold shops during the postwar period, and some big businessmen even established chain stores in a city or several main cities in a province.

Gold is an indispensable element in Thai society. Gold is an important part of any Thai engagement ceremony or marriage. Furthermore, Thai people historically accepted gold as a medium of exchange and as a symbol of wealth. When they have money, they prefer to buy gold, and when they are in the red, they will hock it to the gold shop. The buying and selling price of gold is based on the daily price in the newspapers, such as the Bangkok Post, but the shop would charge an extra small amount for the workmanship, varying from 250 Baht to 500 Baht depending on the size and weight of the item. The following formula is to calculate the value of a gold object:

\[(\text{weight}) \times (\text{percentage of gold}) \times (\text{per Baht pure gold’s price}) + (\text{workmanship fee}) = \text{value}\]

Rao Defu, and in Hatyai is Mr. Zhou Detao.

55 Mr. Lim Hong Ce’s original words are: “เราจะรู้สึกอดทนกว่า ขอต่างๆที่กินแม้จะเน้นน้อย พวกเราไม่กินด้วยมากที่สุด และมีคุณสมบัติ ในตัวเอง ที่ไม่เหมือนใคร เป็นของ ที่น่าจะขายดีอยู่“.
When they sell it, they could not get the workmanship fee that they paid, but Thai people still prefer to “invest their money in gold and hang it around their necks.”

In fact, the service of buying and selling is illegal, but still prevailing in Thailand. This service turns the relationship between the seller and customers to another kind of patron-client relationship, which is crucial for the Hainanese middleman in the rice trade.

Fourth, Hainanese have enjoyed a warm relationship with Thai people because of their special occupations of tailors, barbers, cookers, domestic servants, and proprietors of coffee shops, restaurants, and hotels. All these jobs offer friendly environments for them to interact with Thai people and migrants from other speech groups.

THE RICE TRADE ON THE EAST COAST OF PENINSULAR THAILAND

The Nakhon Sri Thammarat region has long been touted as “a land flowing with milk and honey” in peninsular Thailand, because of its warm and humid monsoon climate. Since the Ayutthaya period, Nakhon Sri Thammarat has become a principal rice-producing source for southern Thailand, and other regions in Southeast Asia, particularly the Malay territories, including Patthani, Kelandan, Kuala Terengganu, Perak, and Singapore. Power seekers had exploited that status of Nakhon57 to establish a base from which to impose dominion over other territories.

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56. Words of Mr. Zeng Yuxin.
57. Nakhon is shortened from Nakhon Sri Thammarat.
ever since the Bangkok period.

During the reigns of King Rama III and King Rama IV of the Bangkok Dynasty, from 1824 to 1868, the rice-producing source moved from Nakhon Sri Thammarat to the Pak Phanang river basin, this being part of the Nakhon province, and in areas around the Songkhla lagoon. During this period, the rice trade of the Pak Phanang river basin prospered because of the large increase in demand in the Singapore and Malaya markets. So from then on, until World War II and fifteen years after the War, the territories around the Pak Phanang river basin and the Songkhla Lagoon were important for their rice production for the region. However, since 1957 onwards, decline progressively set in. By around 1980, the rice production and trade in this region were in total decline. The rise and decline processes of the rice trade on the east coast of peninsular Thailand can be divided into three stages: free trade, restriction, and revival and impasse, according to the circumstances of the rice production and trade, and the regulations or laws affecting the rice trade.58

The following section will demonstrate the functions taken by each Chinese speech group in the rice trade, and the cooperation and competition among them, under the broad socio-economic historical context of southern Thailand.

1) Stage of Free Trade

The free stage or the development stage of the rice trade in peninsular Thailand began from the reign of Rama V (1868-1910), and ended in 1938 (B.E. 58. Chavalit., pp.1-10.
2481), when the Southern Thai Rice Company was set up at Pak Phanang by the Luang Phibun government to restrict rice exports in peninsular Thailand. The stage was dominated by free labor and free trade during this period.

Siam started being integrated into the European world-economy from the beginning of the nineteenth century, and the Bowring Treaty\(^{59}\) of 1855 between Siam and Britain signaled the direct participation of Siam in the world-system. The entire century after the 1850s saw a marked growth in the volume and value of exports, which was composed of a few primary products. The area which once was covered by jungle, scrub, and marsh, were all cleared and cultivated as rice frontier. Siam changed from an almost self-sufficient economy to an economy which specialized in a small number of primary products—rice, cassava, tin and teakwood—to meet the demands of the world economy. In 1850 a large percentage of people were slaves of one sort or another, and almost the entire male population was subject to the corvee. The urgent demand of free labor impelled the King Chulalongkorn, Rama V, to emancipate the slaves in the kingdom. According to law, by 1905 all forms of slavery had been eliminated and the corvee system had been given up in favor of paid labor, although vestiges of both these institutions remained for a long time. Freedom from the corvee obligation encouraged people, especially the children to sought their own land, and also encouraged individuals to strike out on their own. Thus, the emancipation of the slaves provided the rice trade in Pak Phanang river basin and

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\(^{59}\) Bowring Treaty was signed by King Mongkut (Rama IV, 1851-68) with Britain in 1855. Under this treaty, Siam was opened up to Western influence and market, its import and export duties were sharply reduced and fixed, ruling class trading and commodity monopolies were abolished. Britain achieved commercial and political rights in Siam.
Songkhla lagoon with a large number of free laborers, and prompted its rapid growth.

The influx of the Chinese migrants into peninsular Thailand since the middle of the nineteenth century is another factor that promoted the rice trade in this region. By the 1860s, there was regularly scheduled steamer traffic between Hong Kong and the three main south China ports—Canton, Swatow, and Amoy. This meant that immigrants from these ports could travel by steamer via Hong Kong to as far as Singapore and Penang, and hence to South Siam. These newly arriving Chinese migrants who left their home for Siam with only “a sleeping mat and a pillow”, hoping to fulfill their dream to “have a better life than in China” also took parts in cultivating the new rice frontier and met the demand for free labors.

Furthermore, the Bowring Treaty also put an end to the traditional royal trade, and brought free trade to Siam. The establishment of Singapore as a free trade port by the British in 1824 also promoted the rice trade between southern Thailand and Singapore. Thus, from then on, the rice in peninsular Thailand could be directly exported to Malay and Singapore.

In addition, the perfect conditions in the Pak Phanang river basin and Songkhla lagoon help the rice trade thrive there. First, both the humid weather and fertile soil in this region were ideal for rice cultivation. Second, the geographical location of this region was near port, such as Pak Phanang. Third, the geographical proximity of this area to Malay and Singapore reduced the cost of transportation, making rice from this region more competitive in the world market.

All these factors together made rice cultivation and trade prosperous in this
region.

2) The Pyramid of the Rice Trade in Peninsular Thailand

THE PYRAMID OF THE RICE TRADE IN PENINSULAR THAILAND

The Bowring Treaty in 1855 also transformed the social structure in Siam. As we know, pre-modern Siamese society consisted of two basic classes, the ruling class and the governed, or the noble class headed by a king and the peasantry. The incoming Chinese migrants filled in the gaps between these two classes and became the members of a new bourgeoisie and urban proletariat classes.60 In the rice trade, which is defined by Dan Usher as the functions to “collect from the farmers the surplus of rice over and above their own needs, to mill it, and to distribute the rice where and when it is needed for export and to people in Thailand who do not grow rice themselves,”61 the Chinese immigrants performed all the steps, which included the purchasing of rice from the farmers, milling, storage, covering interest cost, transportation, retail selling, and exporting to foreigner countries. However, the functions that each speech group took in the rice trade were different.

If we take a close analysis of the divisions among the Chinese speech groups in the rice trade in peninsular Thailand, we could get a pyramid of the rice trade which


is shown in table 2.

<table>
<thead>
<tr>
<th>Rice Exporters in Bangkok or in Singapore (Teochius, Hokkiens)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice Millers in Cities of Southern Thailand, (Teochius, Hokkiens)</td>
</tr>
<tr>
<td>Rice Middlemen between the cities and villages (Hainanese)</td>
</tr>
<tr>
<td>Part-time Agents in the rural villages (Indigenous Thai People)</td>
</tr>
<tr>
<td>Farmers in the rural villages (Indigenous Thai People)</td>
</tr>
</tbody>
</table>

Table 2: The Pyramid of Rice Trade in Southern Thailand in the first stage.

All the Chinese rice dealers could be arranged in a pyramidal table. The broad base of the pyramid was the Thai rice farmers in the rural villages. The next tier of the pyramid of rice dealers were the part-time agents in some big villages. These part-time agents were usually Thai farmers, whose crop dealing was only a seasonal occupation. Since they were located in the villages, they knew who the surplus producers were and had personal relations with them. Gosling evaluates these village-based agents as “providing an indigenous façade for a Chinese-dominated occupation, an ethnic buffer who can make use of his own connections in the village on behalf of the town-based Chinese dealer without involving either in any continuing obligation to the farmer.”62 However, from the data I collected during my fieldwork, these part-time agents were not popular in the villages of peninsular Thailand. Most

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62 Gosling, p133.
rice middlemen still preferred to deal directly with farmers in the field, particularly for large amounts of crop, because the use of village agents decreased profit margins and required more working capital to fund agent purchases.

The third tier in the pyramid was the rice middleman, which is the focus of this essay. In rice trade, neither the Thai grower nor the Chinese miller performed the function of moving paddy from the producing areas to the mills. Instead, this function has been performed by independent rice middlemen. In the Pak Phanang river basin and Songkhla lagoon area, all of these middlemen were Hainanese, who went into the villages, bought paddy directly from the Thai farmers, and transported it to the rice millers located in Pak Phanang, Songkhla, and Nakhon Sri Thammarat.

As mentioned earlier, the Hainanese became rice middlemen because of their poverty and low social status among the Chinese speech groups. They lacked the requiring capital to open rice mills, so they had to assume this labor-intensive and time-consuming work. The exact percentage of Hainanese working as rice middlemen was difficult to measure, but the particular example of “Hailam Oxcart” could help us to better understand the popularity of Hainanese rice middlemen on the east coast of peninsular Thailand. The rice middlemen in southern Thailand always used a kind of oxcart to collect rice in villages, which was wider than ordinary oxcarts in other regions in Thailand, and its wheels were larger than ordinary wheels. This special oxcart was adapted to the environment of southern Thailand, since the soil there was either sticky or sandy. This kind of oxcart was thus named “Hailam Oxcart” for two

63. Hailam is the term “Hainan” in Hainanese dialect.
reasons. First, it was said that this oxcart was invented by a Hainanese rice dealer. Second, most of the rice middlemen in southern Thailand were Hainanese; thus in Thai people’s minds, the rice dealer was equivalent to Hainanese, and vice versa. This example also reflects how the divisions among the Chinese speech groups had meanings for the indigenous Thai people. They could identify the Chinese sub-ethnic group of their trading partner.

The three main functions of these Hainanese rice middlemen in the rice trade are: 1) gathering, standardizing and transporting rice; 2) loaning money, providing credit and/or inputs for rice production; 3) serving as the major source of market information and agricultural innovation for the farmers.  

First, since the subsistence system was based on small rice-producing families with small surpluses over a wide area in Thailand, rice middlemen needed to gather these batches of surplus, categorize the rice for processing, and transport them to the Teochiu and Hokkien owned rice mills in the cities. The categorizing is a key step, because rice is not a homogeneous product. According to Usher, the middlemen identified different types of rice based on the six standards: its character as glutinous as opposed to ‘white’ rice; percentage of broken grains; length; colour; the

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64. These three performs of Hainanese middleman are included based on Gosling, Usher, and Ingrid’s points. Gosling, pp. 131-132.

65. These are the two main divisions among species of rice grown in Thailand. White rice is what is called Patna rice in England. Glutinous rice, which is actually whiter than white rice, is rarely seen in Europe. It is the staple food among the Thais in north and northeastern Thailand, and is used in desserts elsewhere.

66. Rice selling in the shops or for export may consist of completely unbroken grains of rice, or of rice broken up so finely as to be nearly flour, or of any stage in between. Consumers of rice prefer
age of the rice\textsuperscript{69}, and the species of rice.\textsuperscript{70}

The way of measuring rice called “Mao Hong” should be mentioned here, since the criticism of rice middlemen for using false measures often came from it. In peninsular Thailand, rice tends to be sold by volume, not weights. It is packed into tangs of 20 litres (approx=10kg) of which there are 100 in a kwian. The weight of paddy that fits into a tang depends on the type of rice being sold, the length of time it has been in a store, how tightly it is packed and how the tang is leveled off. As a result, there are a number of ways in which the process can be tampered with in order to give a false measure, and certainly a degree of trickery does occur.\textsuperscript{71}

Secondly, according to Thai culture, Thai people do not like saving money, and they spend over the small amount of money they earn promptly. Thus these semi-subsistence farmers also had very limited money to meet their yearly necessities, and to have the funds required for next year’s agricultural inputs or innovation. Thus Hainanese rice middlemen loaned money to these Thai farmers so they could have the resources for rice production. According to Gosling, the middleman provided credit in four different formats:

\begin{itemize}
\item unbroken grains, and this type of rice sells at about twice the price of rice broken into tiny pieces.
\item Long-grain rice of 5-7 mm is considered better than short-grain rice of 5-6mm.
\item Charly kernels or kernels that are red or yellow are considered undesirable.
\item Thai consumers feel that within the general category of ‘white’ rice from the previous year’s crop (old rice) over the price of rice from the most recent crop (new rice).
\item Thai consumers feel that within the general category of ‘white’ rice certain varieties taste better than others, and this is recognized in the formation of prices.
\end{itemize}

\textsuperscript{67} Long-grain rice of 5-7 mm is considered better than short-grain rice of 5-6mm.

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\textsuperscript{69} Thai consumers feel that within the general category of ‘white’ rice from the previous year’s crop (old rice) over the price of rice from the most recent crop (new rice).

\textsuperscript{70} Thai consumers feel that within the general category of ‘white’ rice certain varieties taste better than others, and this is recognized in the formation of prices.

“First, they provide short-term loans at market interest rates, primarily for cultivation loans, which will be repaid when the crop is marketed through the dealer who provides the credit, but in most cases he is also the buyer of the crop.”

“In the second format, the dealer provides credit in return for the right to purchase the crop. The interest rate is lower than loans not tied to crop sale because the dealer-creditor may well take advantage of the loan situation by offering slightly less than the normal market price or ‘cheating’ the farmer-client a little more, thus increasing the real return.”

“The third format for credit is the market-bond, in which the dealer lends money to the farmer-client to create a debt bond. This loan may be long-term, not repaid for many years or until the dealer-farmer link is broken.”

“The fourth format for credit is through the dealer-shopkeeper, who provides the equivalent of the market-bond, but in the form of rolling credit, in which there is the continuous flow of small loans and consumer goods to the farmer-client, in return for the right to market the farmer’s crops. This comprises an informal market-bond which fluctuates during the year and can be paid annually, but usually is continuous over many years, during which the dealer-shopkeeper will market the farmer’s surplus.”

Besides these four formats, the illegal service of those Hainanese gold shops offered to indigenous Thai people, as discussed earlier, was another informal way to provide credit in peninsular Thailand. When the farmers sell the paddy in the harvest season, they get money and buy gold staffs to show their wealth; in the cultivation season, when they are broken, they could sell the jewelry to the gold shop, and get their money back. This service meant that the Thai customers had to keep the relationship with the Hainanese seller, thus strengthening a kind of patron-client relationship.

Finally, since Thai farmers were unable to obtain the necessary information about prices and markets, Hainanese middlemen also offered the latest news to them.

72 Gosling, pp. 142-143.
In the early years, as most rural areas in Thailand were poorly linked with the market economy of the nation, the middleman was the only source of information and conduit with the wider world. With this function, the rice middlemen were often criticized for extracting excessive profits from the farmers who had no access to the outsider world, for offering a low price for the rice, and for imposing a higher interest rate for loans than the national average to cheat the farmers.

However, in this stage, although transportation and communication were not convenient in peninsular Thailand, the farmers were too experienced to be cheated on a large scale. The government did not intervene much in the rice trade, but the cheating both on prices, or interest rate, or methods of measurement were restricted by the Hainanese middleman group itself for reassure of self-interest. If a middleman gained a reputation for trickery he would soon be out of business as the great majority of farmers would have no difficulty selling their produce to someone else. One man’s bad reputation would harm the reputation of the whole speech group in the rice market with fierce competition among the speech groups. As we mentioned earlier, all the members, especially the rich and powerful ones should maintain and preserve the reputation of the group, since it was an invaluable intangible asset.

The fourth level in the rice trade pyramid in peninsular Thailand was the rice millers in the urban centers. Most of these rice millers in this stage were Hokkiens and Teochius. A typical mill might separate its output into six categories: head rice, half broken grains, quarter broken grains, very small broken, fine bran, and coarse bran. These rice millers often had lower profit margins than Hainanese rice middlemen, but
made more money because of the larger scale of their operations, withholding capability based on storage, access to the market based on long-distance transportation and easier access to more credit. The first rice mill, Dao Sheng Rice Mill (道生碾米厂) in Pak Phanang was established in 1904 by Koh Hanyi, a Teochiu rice merchant in Bangkok.73

At the top of this pyramid were the Teochiu rice dealers in Bangkok, and Hokkien rice dealers in Singapore. These dealers were the aristocrats in the rice trade, “only serving as brokers, arranging major sales of rice, establishing or stabilizing the price structure, providing credit to the lower tiers of rice dealers and operating rice dealers’ associations.”74

Here the socio-economic context of peninsular Thailand calls for some comment. The most prominent event that have left their marks on southern Thailand in social and economic respects was the influx of Teochius into southern Thailand since the late 1930s. The most important result of the this was “the establishment of the Bangkok-oriented Teochiu system that played a definitive role in determining the character of local social life and market, instead of the former Penang-oriented Hokkien system.75

The origin of the Hokkien-system lay in the Para rubber export system in southern Thailand which commenced in 1906 or 1907. On the west coast, Trang

73. Chavalit, pp.52-54.
74. Gosling, pp.134.
emerged as the Para rubber commercial center and established a solid coastal trade with Penang. Songkhla became the marketing hub of rubber on the east coast and bound for Singapore. This was the well-known “one commodity with two trading systems”.76

As we all know that both Penang and Singapore are Hokkien dominant cities. According to Skinner, “in Trang town the Hokkiens predominate”77 and the founder of Songkhla city, Wu Yang was a Hokkien from His-hsing village in Zhangzhou in Fujian province. The hokkien businessmen thus took the control of the Para rubber system in southern Thailand. The Hokkien commercial system established parallel to the Para rubber system and Penang served as the hub of the Hokkien or Chinese economy of southern Thailand, especially the western peninsular. Penang not only offered an economic model of great interest to the leading Chinese in southern Thailand, but also socially, educationally, and even architecturally.78 Thus a Hokkien Penang-oriented system was founded in southern Thailand in the beginning of the twentieth century.

However, after the First World War, Hokkien commercial dominance was gradually replaced by that of the Teochius, whose largest concentration is in Bangkok. The population of the Teochius in Bangkok, where they predominate even until today, grew rapidly during the Taksin’s reign (1767-1782) through the extraordinary

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76. Montesano, pp.305-306.
77. Skinner, p.211.
encouragement that Taksin gave to his countrymen. The Teochiu businessmen controlled most of the lucrative trades in Thailand. Their occupation specializations are bankers, rice merchants and exporters, insurance brokers, hardware merchants, and local products businessmen. The period from 1918 to 1931 saw a large number of Teochius swarming into Thailand. They arrived in the Southern Thailand from the late 1930s to the 1940s.

When the Teochiu intruded into southern Thailand, they also brought their Bangkok-commercial-ties to the Peninsula. With the new roads railways’ development in southern Thailand and the decline of the rubber trade after the Second World War, a Bangkok-oriented system finally replaced the old Penang-oriented system. Teochius dominated the wholesale business in southern Thailand.

The rice trade of peninsular Thailand also offered us a mirror to see the changes of orientation. Before the 1930s, most of the rice was exported from Pak Phanang river basin and Songkhla lagoon area to Malaya and Singapore, and Hokkien rice millers dominated the whole rice trade in the region. However, after the 1930s, more and more Teochiu merchants intruded into the rice trade and became the rice millers and competed with the Hokkiens. With the establishment of the Southern Thai Rice Company in the 1938, which would be discussed below, no more rice was allowed to be exported to Malaya by millers, but had to be sold to the company and all sent to Bangkok.

Certainly, this pyramid of the rice trade demonstrates just the major speech

group at each level. Each speech group had some people exceed this sub-ethnic division in rice trade. For example, some poor newly arrived Hainanese migrants worked as farmers, Hokkiens and Teochius as middlemen, and Hainanese as rice millers. One of the largest 16 rice mills, Tai Nan Feng (泰南丰) was owned by a prominent Hainanese businessman in peninsular Thailand, Chen Risheng. The rice mill was founded by a Hainanese merchant in 1922.

3) Stage of Restriction

Since the middle of the 1930s, the military faction dominated the Thai government, and the anti-capitalist and anti-Chinese thinking prevailed in Thailand. After the military consolidated its hold over the government in December 1938, the policy to free the peasant from the domination of the Chinese businessman expanded. The Prime Minister, Phibun Songkhram, promoted the idea of ‘a Thai economy for the Thai people’ which meant Thai peasants selling rice to, and buying manufactures from, organizations run on the people’s behalf by the Thai government to the exclusion of the Chinese. The government established the Thai Rice Company (TRC). At the same time, the Southern Thai Rice Company, established at Pak Pahang, aimed at restricting the rice trade and export in peninsular Thailand, “freeing the growers from the hands of the Chinese middlemen”, which “required the government to help from the time the rice is planted in the ground until it is put in the stomach of the final
buyer.”80 This action signaled the ending of the free trade stage and the beginning of the restriction period in peninsular Thailand. The newly emerged Hainanese rice smugglers and their dominance in Sungai Kolok are the focus of our study in this section.

The Southern Thai Rice Company accomplished its control of the rice trade by two steps. The first step was just to manage the fourteen big rice mills in the Pak Phanang river basin area, in order to make these rice mills sell their rice to the Company. However, since 1941, the Company began to manipulate the rice mills in other places in peninsular Thailand, and a series of particular regulations were promulgated. Thus, all the rice produced in Pak Phanang river basin and Songkhla lagoon area could only be sold to the Southern Thai Rice Company, and no more free trade was allowed. The Company sent its agents to each big or middle-size rice mill to supervise the business and processes of these mills.

As an ally of Japan during the Second World War, another significant aim of the Luang Phibun government to control the rice trade in peninsular Thailand was to prevent the rice mills to export rice to Malaya, and Singapore, which were the colonies of Britain and the rice-deficient areas with acute shortages of rice. In 1939, the government enacted a new regulation that each Thai person could take no more than one sack of rice abroad.81 After Japanese ships anchored off the shores of Nakhon Sri Thammarat on the night of December 7, 1941, most of the rice in

81. Chavalit, p.16.
peninsular Thailand could only be sold to the Japanese Army.

The embargo on rice blocked the circulation of rice not only in the world market, but also in the domestic market of Thailand itself. Not only Malaya and Singapore, but Samui Island\footnote{It is the second biggest island in Thailand, which is near the Surat Thani province. (see map 1)} was also in dire need of rice. In fact, at the beginning of the Second World War, with the decline of export, the excess rice even made the domestic price of rice in Thailand decreased. For instance: in 1940, per oxcart of paddy decreased 15 Baht, and per sack of rice decreased 5 Baht. However, the lack of rice and the severe wartime inflation increased domestic prices to about twelve to fourteen time the prewar level.\footnote{Ingram, p.40.} The same things happened in the world market during the wartime. Under these circumstances, smuggling emerged in peninsular Thailand as a way to alleviate the problem.

There were two ways for smuggling rice in peninsular Thailand during the Second World War: one was by land and the other was by sea. The four main secret routes were: first, shipping the rice directly from the Pak Phanang river gate through the Thai Bay to the town of Songai Kolok by junks. The second route was mainly based on the railway built during the reign of King Rama VI (1910-1925). Smugglers first transported the rice from amphoe Pak Phanang by ships with the loadage of 200 sacks along the Pak Phanang River, turned into the Canal Chauat at Pak Phraek, the fork of the river, and arrived at the Chauat railway station. From there, the rice was shipped directly to Songai Kolok via train. The third way, the most well-known
smuggling route in this period, depended on the trans-peninsular railway from Nakon Sri Thammarat to Trang, which was the most significant route for material transportation between the east and west coasts of southern Thailand. Fourthly, the least used and the most unknown route for smuggling rice in peninsular Thailand was from Pak Phanang to Songkhla. The rice was loaded to the middle size steamboats with the loadage of 100-150 sacks, and sailed along the Canal Pak Phanang to Songkhla. (see map 4)\textsuperscript{84}

Two destinations of the four routes were Sungai Kolok. This once was a small border town in south of Narathiwat on the border between Malaya and Thailand. The development of railway in the peninsular Thailand since the Rama VI period turned Sungai Kolok became an important transportation hub in the region. During the Second World War, in Sungai Kolok, the contraband rice were loaded onto the train and sent to Pasir Mas, the well known town in rice smuggling in Malaya, and Sungai Kolok became the transit point for rice smugglers.

Who were these rice smugglers? How could they collect rice under the strict supervision of the Thai government and the Japanese army? Did they earn large profit during this period?

The exact answers for these questions could not be found in any formal documents. But all my interviewees in peninsular Thailand confirmed my assumption that most of the rice smugglers during the Second World War were Hainanese, who once were rice middlemen. Because of their long-term close relationship with the

\textsuperscript{84} Chavalit, pp. 19-21.
indigenous Thai farmers, they could get some rice from their old farmer-clients, and shared the profit of smuggling with them.

The large demand and diversity of rice price in different regions in Southeast Asia seemed to have brought huge profits to the rice smugglers. For instance: The price of one sack of rice at Pak Phanang was 305 Baht during the Second World War period, if a smuggler transported it to Kelantan and sold it, he could get 600 Baht; 800 Baht in Terengganu; 1000 Baht in Singapore; and 1200 Baht in Indonesia. However, the smugglers (rice middlemen and millers) and farmers shared was just a small portion of the huge profit, and their incomes kept the same or just increased a little than before. In fact, most of the profits went to the pocket of a variety of government officials. As for the four smuggling routes we discussed above, the rice smugglers had to pay a large amount of “administration fee” to the government and “special fee” to bribe the administrators of the train, ship, truck and road, the officials in Southern Thai Rice Company, and so on, whether they choose either of them. Thus, the smugglers did not exploit the farmers but the officials.

The development of the town, Sungai Kolok, could be circumstantial evidence for my assumption. Sungai Kolok prospered because of the rice smuggling trade. The Hainanese were the dominant Chinese speech group in this town. The Hainanese Association of Sungai Kolok was established in 1971, which is the last member of the Federation of Hainanese Associations in Southern Thailand.
Map 4: The Routes for Smuggling Rice in Peninsular Thailand during the Second World War

4) Stage of Revival and Impasse

After the Second World War, the Southern Thai Rice Company was soon closed down in 1946, all the regulations on rice trade were abolished, and free rice trade revived in peninsular Thailand. The old Chinese rice middlemen and the rice
smugglers during the war once again focused on the newly re-energized rice trade. Still the years after the War saw a rapidly increasing number of Thai middlemen. The fixed buying price set by the National Rice Office introduced a degree of stability into the paddy market and enabled Thai middlemen to compete with the Chinese.\(^85\) Moreover, the functions of the different speech groups in the rice trade began to change.

In 1949, a new kind of thresher was invented. This new thresher was smaller and lighter but ran faster than the older generations of threshers. Its cheap price ensured that it sold quickly and soon spread to farmers in peninsular Thailand.\(^86\) With this new invention, the cost of rice mills and the capital that was needed to open a small rice mill were sharply reduced. Hence opportunities to start a small rice mill opened up for the Hainanese, the old rice middlemen who saved some capital through their hardworking and thrift and learned the experience to manage a rice mill through their long-term contact with the Teochiu and Hokkien rice millers. The years between 1949 and 1957 saw the establishment of a large number of small rice mills in southern Thailand. The owners of these rice mills were Hainanese (with a high percentage), Hokkiens, Teochius, and the local Thais.\(^87\) Soon these small rice mills drove the old large and middle rice mills of Teochiu and Hokkien businessmen out of business, because their old large and middle mills still used the inefficient

\(^{85}\) Ingraid, p.92.

\(^{86}\) Ibid, pp. 102-110.

\(^{87}\) Interviews with locals in Pak Phanang.
old-style thresher. The high cost of the operation and maintenance of these old machines made it very difficult for them to compete with new-style rice mills.

However, the decisive factor which reorganized the hierarchical system of the rice trade in peninsular Thailand was the decrease of paddy in the region. In 1962 (B.E. 2505), 1975 (B.E. 2518), and 1981 (B.E. 2524), several massive floods occurred in the area of the Pak Phanang river basin and Songkhla lagoon region. The floods disrupted the rice crops and even changed the content of soil in these areas. Because decline of rice yields made it difficult for the rice mills to find enough paddy-rice, the competition among the rice millers intensified. Here, the Hainanese rice millers found a commercial advantage in their close relations to the peasants.

With the good relationship the Hainanese rice millers built with the Thai farmers when they were middlemen, they could more easily and cheaply get the rice resources from the farmer than could the Hokkien and Teochius, the owners of the big or middle rice mills, who had no direct contact with the indigenous farmers. In the rice market, the Thai farmers preferred to sell their paddy to the Hainanese, with whom they had dealt directly for decades and whom they trusted, rather than the Hokkien or Teochius, who were unfamiliar. Consequently, the Hainanese replaced the hokkien and Teochiu rice millers in the rice-producing and trading system in Pak Phanang river basin and Songkhla lagoon region. Far from exploiting the peasants, the Hainanese rice middlemen succeeded because they took advantage of new technology and earned the trust of Thai farmers.

88 Charvalit, pp.23-25.
CONCLUSION

Middlemen are viewed with suspicion throughout the world, irrespective of the quality and efficiency of the service they provide. The criticism of them often comes from their unscrupulous behavior and excessive profit-taking. Not only this, but in many less developed countries, especially when middlemen roles were taken by these ethnic minorities, such as the Chinese in Southeast Asia and Indians in East Africa, the middlemen have been used as an excuse to explain away the plight of the small farmer, thereby shifting the focus of the discussion from the inadequacies of governments to the dishonesty of individuals.

In Thailand, Chinese middlemen, who dominated both the domestic and foreign trades, were treated much better than in the other countries in Southeast Asia, but they still became the scapegoat of the government in some special periods. For instance: such criticism became common during the rise of Thai nationalism in the 1910s and military governance in the 1930s. A widespread belief among the Thai people was that the Chinese middlemen were the blood suckers of Thai farmers.

Numerous works have focused on answering the question as to whether the services that Chinese middlemen provided have been exploitative or efficient. My essay on Hainanese middlemen in the rice trade on the east coast of peninsular
Thailand tries to provide another perspective to look at these middlemen, through demonstrating the heterogeneity inside the Chinese community, the division among the rice traders along the speech group line, and the mobility of each group within the rice trade.

The Hainanese migrants on the east coast of peninsular Thailand established a closer relationship with the indigenous Thai people through their long-term interaction with the local people, their occupational specializations as the gold shop owners, and the service they delivered. In the rice trade, the status of Hainanese as the rice middlemen was below the Hokkien and Teochius, who dominated the rice mills in the region. Nevertheless the special relationship with the indigenous Thais facilitated Hainanese success as the rice middlemen. When the new cheaper thresher was invented, Hainanese rice middlemen began to have their own small rice mills.

However, when the competition in collecting paddy in the rice trade on the east coast of peninsular Thailand became fiercer than before, the farmers continued to prefer the present Hainanese rice millers who were the former rice middlemen as their trade partners, over the Hokkien, Teochiu or even local Thai rice merchants. Consequently, the Hainanese replaced the Hokkien and Teochiu rice millers in the rice trading system in Pak Phanang. Thus, the trust and credit relationship the Hainanese built with the local farmers help them attain upward mobility in the rice trade.

My point is that although I could not assume that there was no exploitation or cheating among all these Hainanese rice middlemen. I could suppose that the Hainanese middlemen provided a fair and efficient marketing service to the farmers
in peninsular Thailand, since the fierce competition among the rice middlemen and rice millers and the reputation of the speech group in this region should put some restrictions on the activities of these middlemen.

However, these are two unavoidable problems in this analyzing this type of issue. One is the lack of solid statistics to prove some points. The other is that I concentrate only on the buying activity of Hainanese middlemen without examining their selling activities. The relationship between the Hainanese middlemen and Teochiu or Hokkien rice millers both in the cities in peninsular Thailand, and Bangkok or Singapore would help us better understand the heterogeneity among the speech groups, the cooperation and conflicts between them, and the middleman service system. I hope my future work on my dissertation would eliminate these two issues.
APPENDIX

Profiles of Interviewees

In the three months’ fieldwork, I conducted fifty-four formal interviews, twelve in Bangkok, and the other forty-two in Southern Thailand. The reasons to interview the Hainanese or no-Hainanese in Bangkok are to get a general understanding of the Hainanese society in Thailand and to request them to introduce some interviewees in Southern Thailand for me. For the non-Hainanese interviewees, since they are the vital persons in local Chinese society or they know local Hainanese history very well, the interviews are conducted.

Table 1.1 Gender of Hainanese interviewees in Bangkok and Southern Thailand

<table>
<thead>
<tr>
<th>Place</th>
<th>Gender</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangkok</td>
<td>Male</td>
<td>10 (#)</td>
<td>19%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2 (*)</td>
<td>4%</td>
</tr>
<tr>
<td>Southern Thailand</td>
<td>Male</td>
<td>37 (&amp;)</td>
<td>68%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>5</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>54</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: (#) One of the male interviewees in Bangkok is not Hainanese, but a Cantonese. (*) These two female interviewees in Bangkok both are not Hainanese. (&) Two male interviewees in Southern Thailand are not Hainanese.

Among the forty nine Hainanese interviewees, only six are born in China; second generation immigrants form by far the largest group (82 percent) and only five are third generation. (See Table 1.2)

Table 1.2 Generation of Hainanese immigrants and Hainanese descendants

<table>
<thead>
<tr>
<th>Generation</th>
<th>Born in</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>China (Hainan Island)</td>
<td>4</td>
<td>8%</td>
</tr>
<tr>
<td>Second</td>
<td>China (Hainan Island)</td>
<td>2</td>
<td>4%</td>
</tr>
<tr>
<td>Second</td>
<td>Thailand</td>
<td>38</td>
<td>78%</td>
</tr>
<tr>
<td>Third</td>
<td>Thailand</td>
<td>5</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>49</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: Generation of Hainanese people is defined as follows. First generation: an individual born in China of a China-born father who never resided in Thailand. Second generation: an individual born in China or in Thailand of a China-born father

Most of my interviews’ age are between 50-60 years (29 percent) and 60-70 years (27 percent). Only 2 people are under 40 years, but six people are over 80 years. That is because I prefer to conduct interview with the old person, who know much about the local Hainanese society. (See 1.3)

<table>
<thead>
<tr>
<th>Age</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 40 years</td>
<td>2</td>
<td>4%</td>
</tr>
<tr>
<td>Between 40-50 years</td>
<td>7</td>
<td>14%</td>
</tr>
<tr>
<td>Between 50-60 years</td>
<td>14</td>
<td>29%</td>
</tr>
<tr>
<td>Between 60-70 years</td>
<td>13</td>
<td>27%</td>
</tr>
<tr>
<td>Between 70-80 years</td>
<td>7</td>
<td>14%</td>
</tr>
<tr>
<td>Over 80 years</td>
<td>6</td>
<td>12%</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>100%</td>
</tr>
</tbody>
</table>

The occupation specializations by Hainanese in Southern Thailand are gold shop proprietors, hotel proprietors (but only two of my interviewee own a hotel in Nakhon Sri Thammarat city), saw mill proprietors, government officials, building material shop proprietors and the traditional chicken rice restaurant owner.

<table>
<thead>
<tr>
<th>Occupations</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold shop proprietors</td>
<td>8</td>
</tr>
<tr>
<td>Saw mill proprietors</td>
<td>4</td>
</tr>
<tr>
<td>Drug Store proprietors</td>
<td>2</td>
</tr>
<tr>
<td>Rubber Planters</td>
<td>4</td>
</tr>
<tr>
<td>Building material shop owners</td>
<td>5</td>
</tr>
<tr>
<td>Restaurant proprietors</td>
<td>5</td>
</tr>
<tr>
<td>Real Estate owners</td>
<td>3</td>
</tr>
<tr>
<td>Hotel owners</td>
<td>2</td>
</tr>
<tr>
<td>Teachers or officials</td>
<td>6</td>
</tr>
<tr>
<td>Bankers</td>
<td>2</td>
</tr>
<tr>
<td>Grocers</td>
<td>2</td>
</tr>
<tr>
<td>Rice mills</td>
<td>3</td>
</tr>
<tr>
<td>Tin miners</td>
<td>2</td>
</tr>
<tr>
<td>Tailors</td>
<td>3</td>
</tr>
<tr>
<td>Shrimp farmers</td>
<td>2</td>
</tr>
<tr>
<td>Bird’s nest</td>
<td>4</td>
</tr>
<tr>
<td>Others</td>
<td>5</td>
</tr>
</tbody>
</table>
Notes: More than half of my interviewees have taken or are taking more than three occupations.

The Chinese education level correlates closely with age. Most of my interviewee above 60 could speak Chinese. Only a few of my interviewees under 60 could speak Chinese. That is because the Thai government closed all the Chinese school in 1949.

Table 1.5 Attendance of Chinese school by Hainanese immigrants and Hainanese descendants in Southern Thailand

<table>
<thead>
<tr>
<th>Attendance</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attended Chinese school or studies Chinese(*)</td>
<td>20</td>
<td>50%</td>
</tr>
<tr>
<td>1-5 years</td>
<td>4</td>
<td>10%</td>
</tr>
<tr>
<td>5-10 years</td>
<td>9</td>
<td>22.5%</td>
</tr>
<tr>
<td>More than 10 years</td>
<td>7</td>
<td>17.5%</td>
</tr>
<tr>
<td>Did not attend but studied Chinese</td>
<td>3</td>
<td>7.5%</td>
</tr>
<tr>
<td>Never attended Chinese school nor studied Chinese</td>
<td>16</td>
<td>40%</td>
</tr>
<tr>
<td>Unknown</td>
<td>1</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Notes: (*) includes two individuals who attended a school in China.

It is necessary to know these Hainanese businessmen in Southern Thailand got their start by applying Skinner’s four-fold classification. ‘Self-made from scratch men’ are those who had nearly nothing to fall back on when they started to work in Thailand; their success was due solely to their hard work and good judgment. ‘Self-made’ men had someone to support them, such as parents or brothers, but they were not born rich and received only basic educations. At the start of their careers, some of these worked helping their fathers, and others were given a small amount of capital by their parents to start modest enterprises of their own. ‘Partly self-made men’ succeeded to businesses that their fathers had established, and used these as a launching-part for enlargement and diversification. ‘Not self-made men’ are those who literally owe almost everything to their fathers in operating their businesses.89

Table 1.6 and 1.7 show us that, more than half of the Hainanese businessmen interviewed are self-made men. The fourfold classification correlates with generation. All the first generation are ‘self-made’. More than half of the second generation are ‘partly self-made’. While in the second and third generation, ‘not self-made’ appears.

Table 1.6 Self-made-Men Hainanese immigrants and Hainanese descendant in Southern Thailand

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-made from Scratch</td>
<td>None</td>
<td>0%</td>
</tr>
</tbody>
</table>

Self-made & 23 & 42.5% \\
Partly Self-made & 15 & 37.5% \\
Not Self-made & 2 & 5% \\
Total & 40 & 100% \\

Table 1.7 Self-made Men-Hainanese immigrants and Hainanese descendant, analyzed by generation in Southern Thailand

<table>
<thead>
<tr>
<th>Generation</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Generation</td>
<td>4</td>
</tr>
<tr>
<td>Self-made from Scratch</td>
<td>None</td>
</tr>
<tr>
<td>Self-made</td>
<td>4</td>
</tr>
<tr>
<td>Second Generation: Born in Thailand</td>
<td>31</td>
</tr>
<tr>
<td>Self-made from Scratch</td>
<td>None</td>
</tr>
<tr>
<td>Self-made</td>
<td>14</td>
</tr>
<tr>
<td>Partly self-made</td>
<td>16</td>
</tr>
<tr>
<td>Not self-made</td>
<td>1</td>
</tr>
<tr>
<td>Third Generation</td>
<td>5</td>
</tr>
<tr>
<td>Self-made</td>
<td>2</td>
</tr>
<tr>
<td>Partly self-made</td>
<td>2</td>
</tr>
<tr>
<td>Not self-made</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
</tr>
</tbody>
</table>

The upward shift in levels of education between first and third generation is visible in their school careers. (see Table 1.8 and 1.9) My Hainanese interviewees told me that even in the first or the second generation, the education level among the Hainanese immigrants or Hainanese descendants is higher than in the other Chinese dialect groups. And the proportion of college or university graduates in the next generation (the children of my interviewees) is much higher than the proportion in these two tables.

Table 1.8 School career of Hainanese immigrants and Hainanese descendants in Southern Thailand

<table>
<thead>
<tr>
<th>School career</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No formal schooling or less than 4 years of schooling</td>
<td>3</td>
<td>7.5%</td>
</tr>
<tr>
<td>4 years or more than 4 years of primary school</td>
<td>6</td>
<td>15%</td>
</tr>
<tr>
<td>Middle school but did not graduate or less than 12 years of schooling</td>
<td>11</td>
<td>27.5%</td>
</tr>
<tr>
<td>Middle school graduates or 12 years of schooling</td>
<td>7</td>
<td>17.5%</td>
</tr>
<tr>
<td>College or university graduates or more than 12 years of schooling</td>
<td>10</td>
<td>25%</td>
</tr>
<tr>
<td>Master’s course graduates</td>
<td>1</td>
<td>2.5%</td>
</tr>
<tr>
<td>Unknown</td>
<td>2</td>
<td>5%</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
<td>100%</td>
</tr>
</tbody>
</table>
Table 1.9 School career of Chinese immigrants and Chinese descendants analyzed by generation.

<table>
<thead>
<tr>
<th>Generation</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>First generation (born in China)</td>
<td>4</td>
</tr>
<tr>
<td>No formal schooling</td>
<td>1</td>
</tr>
<tr>
<td>4 years of primary school</td>
<td>1</td>
</tr>
<tr>
<td>Middle school graduates or 12 years of schooling</td>
<td>2</td>
</tr>
<tr>
<td>Second generation (born in Thailand)</td>
<td>31</td>
</tr>
<tr>
<td>No formal schooling or less than 4 years of schooling</td>
<td>2</td>
</tr>
<tr>
<td>More than 4 years of primary school</td>
<td>5</td>
</tr>
<tr>
<td>Middle school but did not graduate or less than 12 years of schooling</td>
<td>9</td>
</tr>
<tr>
<td>Middle school graduates or 12 year of schooling</td>
<td>5</td>
</tr>
<tr>
<td>College or university graduates or more than 12 years of schooling</td>
<td>7</td>
</tr>
<tr>
<td>Master</td>
<td>1</td>
</tr>
<tr>
<td>Unknown</td>
<td>2</td>
</tr>
<tr>
<td>Third generation (born in Thailand)</td>
<td>5</td>
</tr>
<tr>
<td>Middle school but did not graduates or less than 12 years of schooling</td>
<td>2</td>
</tr>
<tr>
<td>College or university graduates or more than 12 years of schooling</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>40</td>
</tr>
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</table>
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