

*The Legend of the Golden Boat: Regulation, Trade, and Traders in the Borderlands of Laos, China, Thailand and Burma.* By Andrew Walker. Richmond, Surrey: Curzon Press, 1999. 232 pp.

In the economic historiography of mainland Southeast Asia, the Lao People's Democratic Republic is frequently cast as an isolated and underdeveloped frontier; a tiny, landlocked nation-state repeatedly bypassed by the progressive currents of socio-economic development due to its geo-political marginality. Andrew Walker's important and timely book, *The Legend of the Golden Boat: Regulation, Trade, and Traders in the Borderlands of Laos, China, Thailand and Burma*, presents a cogent challenge to the persistent stereotype of Laos' economic isolation. Offering a detailed regional history of trade in the "borderlands" of north-western Laos which spans from the eighteenth century to the present day, *The Legend of the Golden Boat* reveals that this seemingly stagnant hinterland was, in fact, a dynamic commercial crossroads. Moreover, Walker argues that recent developments in trade liberalization and the regional economic integration of Laos are best understood in light of their historical precedents, in so far as historical regimes of regulation underlie and hence continue to exert considerable influence on contemporary regional trading systems.

*The Legend of the Golden Boat* is comprised of two main sections: historical and theoretical background (chapters 1–3), and four ethnographic case studies from "the borderlands" (chapters 4–7). In the first three chapters, Walker uses a wealth of detailed historical data on trade in the borderlands to launch an incisive critique against the prevailing trope of centre-periphery economic relations in mainland Southeast Asia. The popular centre-periphery model, derived from Wallerstein's world systems theory (1974), posited that the geographical periphery invariably exists in a subordinated, exploited, and marginalized position *vis-à-vis* the powerful economic centre. This inherently inequitable and extractive alliance is governed by the state bureaucratic apparatus and legitimated by religio-symbolic structures which naturalize the hierarchical system.

In both the historiography and contemporary socio-economic analyses of mainland Southeast Asia, the centre-periphery model has gained considerable currency. Tambiah's "galactic polity" (1985) describes a pre-colonial state formation wherein the divine authority of the god-king emanated from the politico-religious centre, casting light on the populations and tributary states which fell within its luminous sphere of influence. The territories beyond this sphere of influence represented zones of ambiguity and darkness inhabited largely by ethnic minority groups. Scholars of Lao history (Stuart-Fox 1997; Taillard 1989) have employed the "galactic polity" model to articulate how the pre-colonial *muang*, or petty chiefdom, functioned by garnering support through tribute and taxes from surrounding villages in exchange for military protection.

Walker contends that a closer examination of local histories within the periphery reveals a more complex and subtle picture of socio-economic activity than the centre-periphery model allows. Globalization theory (Appadurai 1991; Harvey 1989), with its emphasis on connectedness and flows, redresses some of the limits of the centre-periphery model. Walker draws on globalization theory to highlight how historical trans-border economic relationships in northwestern Laos established a social geography of interconnectedness in the borderlands, an analysis which contrasts starkly with the dominant image of frontier marginality and economic stagnation.

A history of cross-border trade in the Upper Mekong region does not, however, imply free trade. Indeed, Walker's most salient point is that pre-colonial and colonial trading systems in northwest Laos fostered an enduring legacy of trade *regulation*. In keeping with Polanyi's (1944) substantivist stance on the socio-cultural embeddedness of economics, Walker maintains that trade and regulation developed concurrently, and hence a history of trade would be impossible without a corresponding record of regulation.

Drawing largely on colonial archives from the eighteenth and nineteenth century, Walker illustrates Laos' historical embeddedness in a complex and dynamic network of overland and riverine trading routes which linked northwestern Laos to commercial entrepôts in present-day

southern China (that is, Mengla, Jinghong), Burma (that is, Kengtung), and Thailand (that is, Nan, Chiang Khong). To mediate the keen territorial rivalry for control over natural resources and the trade networks which transported valuable commercial products such as salt, metals, cotton, opium, and non-timber forest products via caravan and waterborne vessels, these early principalities established administrative systems for trade regulation and taxation. For example, in Chiang Khong, Nan's main nineteenth century Mekong river outpost, Siamese overlords levied tolls and frontier duties on caravans travelling from China via Luangnamtha and Houaysay.

Moreover, colonial annals substantiate that the ethnic minority highland populations such as the Khmu and Lamet were much more integrated into local trade networks than the tropes of their marginality would suggest. Walker points out that hill dwellers frequented the markets of Chiang Khong to trade surplus rice, forest products, and other items such as baskets for the greatly coveted Siamese iron, cloth, and pottery. In pre-colonial Luang Prabang, highland-lowland interdependence was even more acute due to the lowlanders' limited rice-growing capacity and reliance on highland rice surpluses. Luang Prabang's political administration employed *lam*, or commercial agents, to ensure the smooth functioning of trade relations with upland groups.

The colonial era marked a period of transformation in Upper Mekong economic relations, but as Walker underscores, indigenous regimes of regulation were more tenacious than either the French or the British anticipated. In Laos, for instance, the French sought to replace local trading systems with French goods and to divert trade with Siam towards Vietnam. The Lao, however, foiled colonial aspirations by circumventing French trade regulations, such as tariffs on import items, and engaging in illicit trade via extensive networks of Chinese traders with mercantile links to Siam. In an interesting note on the sociology of trade, Walker points out that relative stability during the colonial period encouraged the immigration of Chinese merchants from Bangkok into Lao commercial centres, where they distributed Siamese goods and collected Lao goods for trade.

The shifting political alliances of post-colonial Southeast Asia also

altered the trade regimes as northwestern Laos was split between the American-backed Royal Lao Government based in Huayxai, and Pathet Lao forces centred in Oudomxai. The wartime economic boom in Huayxai was brought to an abrupt standstill in 1975, when Pathet Lao forces declared victory and ostensibly sealed the borders against trade with the capitalist Thai. Walker argues that this decade of insulation (1975–86) gave rise to the misleading and yet persistent trope of Laos' isolation and economic stagnation, even though trade with the Soviet bloc increased and a trickle of commerce continued across the Thai-Lao border.

In the second section of the book, Walker shifts to an overview and case-specific analysis of the contemporary "liberalized" economic landscape of Laos, heralded by the New Economic Mechanism liberalization policy of 1986. While advocates of Laos' subregional integration into the Economic Quadrangle of Thailand, China, Laos, and Burma championed a vision of rapid growth fuelled by infrastructural development, promotion of the timber industry, tourism schemes, and foreign investment, Walker is quick to disclose the challenging reality behind the optimistic rhetoric. Many of the obstacles to realization of the ambitious Economic Quadrangle scheme are rooted in underlying competitive tensions over regulation, control of resources, and prospective trade routes between Thailand and China; a divisiveness which serves to undermine investor confidence. These hurdles to economic growth substantiate Walker's central argument regarding the paradox of liberalization. Namely, where liberalization is usually taken to mean free trade and deregulation, in truth it engenders more opportunities for power-jockeying over the profitable rights to trade regulation.

This is particularly true in the Lao People's Democratic Republic, where the central and provincial governments have played pivotal roles in regulating the liberalization process. Walker points out that the state, most prominently the military, has been the key player in foreign investment partnerships, infrastructural development schemes, and a host of commercial ventures. Chapters 4 to 7 detail the interplay between these new modes of government regulation and local entrepreneurship in the borderlands, including ethnographic accounts of trans-Mekong

boat operators, cargo truck drivers, women long-distance traders, and the military in the timber industry.

Walker proposes that the surge in cross-border trade in the wake of the New Economic Mechanism created opportunities for new, lucrative regimes of micro-regulation based on synergistic *partnerships* between state authorities and mercantile entrepreneurs. In the case of the Chiang Khong river boat operators, their association's monopoly on cross-river transport is underwritten by both formal and informal agreements with both Thai and Lao border officials. In exchange for tariffs and fees, boaters are ensured protection from upriver competition. Walker's ethnographic writing provides some intriguing insights into the socio-cultural dimensions of these partnerships. For instance, he describes the role that rituals play in circumscribing the boater's territory and cementing ties with local customs officials.

Truck operators travelling between China and Thailand and long-distance female traders are two other groups who have benefited from state regulation. Once again, Walker's ethnographic descriptions are a highlight of these chapters, particularly his interviews with a number of women who are clearly empowered by the opportunity to engage in long-distance commercial activities. In the last case study, Walker shifts to Lao state regulation of the sawmilling industry, and the picture is decidedly more grim than the other examples which document the financial successes of small-scale entrepreneurs. In the case of the timber industry, the current regulation by three powerful state enterprises with links to élites in the Thai logging industry is reminiscent of the "old regional resource economy" (p. 182) prior to 1975, when Thai businessmen oversaw the commercial extraction and distribution of timber from Laos into its own paper and wood factories. According to Walker, Lao efforts to offset Thai domination via state regulation of the timber industry have met with limited success, as continued Thai investment in sawmills and logging roads indicates.

Over and above being an invaluable historical and ethnographic resource on the Lao People's Democratic Republic, *The Legend of the Golden Boat* makes a persuasive argument for reassessing the prevailing theoretical paradigms of centre-periphery relations employed in Southeast

Asian historiography and socio-economic analysis.

As Walker argues, the nuances of borderland trade and symbiotic inter-relations between the state and local entrepreneurs belie the motif of borderlands' vulnerability and exploitation.

Nonetheless, in his enthusiasm for a new paradigm of state and local entrepreneur symbiosis in the borderlands, Walker underplays his discussion of the social and environmental costs that accompany these economic regimes. In his rejection of the trope of the centre's exploitation of the vulnerable periphery, he dismisses the very real and complex problems associated with economic development and liberalization, such as environmental degradation and minority resettlement policy. In a similar vein, Walker may be overstating the historically benevolent reciprocity between lowland rulers and highland vassals in so far as he makes only benign and passing mention of the overlords' extraction of *corvée* labour and taxes. Such oversights suggest that a full-fledged rejection of the centre-periphery model in favour of locality studies may be akin to throwing the proverbial baby out with the bathwater.

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