

The Moral Economy of Militarism: Peasant Economy, Military State, and Chinese Capitalism in the Wa State of Myanmar

In E.P. Thompson (1963; 1971) and James Scott's (1976) classic outlines, the 'moral economy' refers to the moral principles of production, consumption and exchange alive in the closely-knit local communities of workers and peasants which are threatened by the bureaucracy of the state and by the market logic of capitalism.ⁱ The concept of the 'moral economy' emphasizes the unity of morality and economy of the 'traditional community' that is opposed to the detachment of holistic moral judgement from the 'political economy' of capitalism and the modern state.ⁱⁱ

Following Thompson and Scott, most scholars who have used the notion, have focused on the underprivileged and the subaltern. But the 'moral' perspectives of the powerful who promoted markets and states, were rarely those of capitalist markets and rational bureaucracies in the sense of Max Weber. On the basis of the Weberian differentiation of social spheres - in which the 'economy' becomes an independent area of rational thought and action (that is, in principle, a-moral) - the 'holistic' principles of the 'community' can be described as a 'moral economy'. But very often market and state have been promoted not so much because of their 'formal rationality' (*Zweckrationalität*) *per se*, but because of substantive moral frameworks.

Furthermore, the capitalist economy and the 'political economy' themselves equally frequently include their own moral imperatives. Beyond the logic of supply and demand, or greed and power, such moral guidelines might include *raison-d'état*, civilization and divine mission. E.P Thompson acknowledged that in eighteenth-century England, 'the moral economy of the poor ... supposed definite, and passionately held, notions of the common weal – notions which, indeed, found some support in the paternalist tradition of the authorities' (1971:79). Nevertheless, Thompson downplays the moral aspects of the 'political economy' for at least two reasons. First, this was because Thompson opposed the view that rebellions occurred merely or mainly because of bottlenecks of material scarcity – instead, he argued, they occurred because of the moral assumptions and patterns of behaviour of ordinary people (i.e. 'the moral economy of the poor'). Second, in his main case studies, the food riots following the corn laws in England, the 'moral economy' is indeed opposed to a 'de-moralised' theory of economics. This is the new economic theory of which Adam Smith's and his treatise on *The Wealth of Nations*'s was the most famous representative. Even though Thompson dismantles the empirical and logical base of Smith's theory of the free market and points towards its massive historical impact, he accepts the self-description of modern economic theory as value-free science (1971:89ff.). If the opposition between the (amoral) economic theory and the moral economy of the masses is particularly obvious when opposing the chapter on the corn laws from *The Wealth of Nations* and the food riots that occurred at the same time, in many other instances, the opposition is blurred – particularly so, when we look at war economies.

The moral imperatives of capitalist states often have to do with the need to defend one country and one 'economy' against another. In the following I will look at the transformations of moral economies in a military state, where the 'modern' economy and state never arrived

in a form of ‘formal rationality’ (*Zweckrationalität*) of the market. To analyse the transformations of economic arrangements and moral frameworks together, I apply the revised notion of ‘moral economy’ that Didier Fassin (2010) has outlined, that is, the combination of the moral frameworks of production, exchange, and consumption. Fassin’s concept of a ‘moral economy’ aims to unite the perspective on moral reflexivity and the analysis of economic organisation. A number of authors have decried the inflationary usage of the concept of the ‘moral economy’, some of which concentrate on moral and ethical aspects and neglect material economies (Hann 2018). If social reproduction relies on an ‘entanglement’ of sometimes contradictory values, then the ‘moral economy’ has to deal with the struggle over values that arise in economic activity (Palomera and Vetta 2016; Carrier 2018). In this sense, ‘moral economies’ should do the same as what the anthropology of value aims to do, that is, unite the study of economic, moral, and semantic difference (Graeber 2001; 2013). In the following, I will deal in particular with the articulation of moral reflexivity and economic organization in militarism, which possibly was the most common mode in history by which the moral economies of peasants were destroyed and integrated into market economies.

Militarism – by a general definition, “the penetration of social relations in general by military relations” (Shaw 2013:20) – lends itself to a study of such value entanglements. In a militarized state, both elites and commoners are, to some extent, under the influence of a generalized and hegemonic moral economy that is militarized. In such a state, it would not make sense to describe the expansion of commercial agriculture and markets, as a confrontation between the ‘moral economy’ of peasants and the ‘political economy’ of the state. Instead, what takes place are struggles over the ethical stances and economic tools appropriate to the one value which cannot be doubted: military strength. Similar to the value

of work elsewhere (Hann 2018), the value of militarism emerges in social action, that is, as a constant process of valorization that unifies moral reflexivity and economic action (Graeber 2013).

The following is an empirical case study that also had programmatic aims: I outline how such an analysis of the moral economies of militarism might look like. My example is the Wa State, a de-facto state governed by an insurgent army in Eastern Myanmar, where over the last 50 years a peasant economy of swidden agriculture has given way to plantations, mining, and markets. Yet it would be wrong to understand this transformation as an opposition between the moral economy of peasants in the past and the political economy of capitalists now: markets and mines, opium production and drug trade, cut across past and present, and connect small-scale farmers and military commanders. The economies of agricultural production in villages, as well as large investments in mines, drugs, and real estate, by local leaders and their business associates, cannot be understood without reference to the core value of militarism. Neither in the village, nor in the drug trade, or in infrastructure projects and Chinese investments, do people act primarily according to market needs, let alone formal rationality, but according to perceived necessity of military defence. Concretely, this translates into codes of honour, the promotion of military discipline, and a military *raison d'état*. Conflicts over values take place, primarily, over the meanings of militarism, rather than in the opposition between the subsistence economy of the village and the market economy of the state.

The Wa State

The Wa State of Burma is officially called the 'Special Region Number 2 of the Shan State', but in reality the Burmese national government and army have very little influence in the area governed by the United Wa State Army (UWSA). The Wa army was founded by Wa, Chinese, Lahu, and Shan soldiers who had served in the Communist Party of Burma (CPB) in the 1970s and 80s, and rebelled against the CPB leadership in 1989. Today the Wa army is the strongest military group amongst Myanmar's numerous ethnic armed groups. It governs two patches of land at the Chinese and Thai borders with a population of more than half a million people, of which about 80% are ethnic Wa; other ethnic groups are the Lahu, Shan, Chinese, and Akha. Traditionally the Wa heartland had been in the hills between the Salween and the Mekong; in 1960, the international border between China and Burma was drawn right through the Wa hills, and half of the ethnic Wa population is now in the People's Republic of China, and the other half in Burma. Aside from the Wa heartland at the Chinese border, the UWSA also governs a large piece of land at the Thai border, the 'Southern Command', which was occupied after the UWSA defeated rivalling armed groups in the 1990s.

Before the 1950s, no centralized state had been established in the Wa hills. Like many other ethnic groups in the highlands of 'Zomia', the Wa practised swidden agriculture and largely remained outside the reach of the surrounding states. The head-hunters of the 'Wild Wa' were feared and respected by the neighbouring ethnic groups and outsiders could only settle in their lands on the terms given by the Wa lineages that governed the land. After the international border had been finally drawn in 1960, and the Wa villages that were now on the Chinese side had been integrated into the People's Republic of China, the Communist Party of Burma established for the first time a lasting system of centralised government in the

1970s, out of which in 1989 emerged the United Wa State Army and Party (UWSA/UWSP).ⁱⁱⁱ

The Wa State today is a de-facto state governed by the UWSA. Even though it lacks international recognition, the Wa State effectively governs the population within its reach and plays an important role in the politics of the region, the co-called 'Golden Triangle' at the borders of Myanmar, China, and Laos. The UWSA never demanded independence from the Union of Myanmar; but also does not accept interference from the Burmese government and army in its internal affairs and day-to-day government. Even though in the Wa State of today many goods are traded on markets, what is more powerful than either subsistence or market logics, is the military economy that is articulated with trade networks in the border region and Chinese capitalism. In the following I describe in turn the economic arrangements and moral frameworks of the peasant economy, the military state, and Chinese capitalism.

The Peasant Economy

Until the 1970s, slash-and-burn cultivation was the most common form of agriculture in the villages of the Wa State. People lived on dry rice and tubers, hunting, and since the late 19th century, opium provided some cash income. The fortunes of individuals and families was dependent on hard work and sharing with relatives, ancestors, and the spirits of the environment. Individuals and families who acted selfishly or otherwise inappropriately, invited the wrath of others. Until the 1950s, the central Wa hills were not integrated into any centralised state, hence there was no taxation or rent. Wa farmers participated in periodical peasant markets where they mainly traded consumer goods for opium; subsistence and staple crops were largely excluded from such market exchanges.

In the past, the 'moral economy' of Wa communities included humans, ancestors, spirits and guardians (Fiskesjö 2017). Capricious spirits had to be respected in everyday life, and the spirit world regulated actual economic behaviour: a hunter, who killed too much, and didn't invoke the master spirits of the prey or didn't share prey with co-hunters or relatives, would provoke misfortune. If the spirits of the first seeds, the new millet spikes, or the first rice harvest were not offered sacrifices, the harvest would be spoilt, and hardship come. Utmost precaution had to be taken, and numerous rituals observed, when building and maintaining granaries. If the spirits of the place were insulted – e.g. by entering a sacrificial ground when one's wife or daughter were pregnant –, one equally invited disaster. The subsistence ethics of Wa farmers were based on the livelihoods of families and patrilineages, within their ecological and spiritual environment. The unpredictability of this environment had to be harnessed through sharing and ritual.

There is a large number of sacrificial activities in Wa society, to the present day. The most basic and common form is ritual libation, the pouring of Wa rice wine (*W. blai*). In the past, every time rice wine was shared, the host first poured a few drops for the ancestors and the spirits of the place, and this practice is upheld by many Wa even when drinking Chinese liquor or beer. Libation is central to ritual and sacrifice to the extent that some Wa when comparing their own 'religion' with other religious traditions call it 'the doctrine of liquor' (*lih blai*) – Christianity, for instance, is 'the doctrine of Jesus' (*lih Yesu*). Sharing the home-made rice wine, therefore, defines Wa autonomy, to a certain extent (Fiskesjö 2010b).

In the past, the largest sacrificial rituals were held when a hunter had killed a tiger, and when a war party had brought back the heads of enemies. Both included the most protracted and

elaborate rituals and sacrifices, and notably many additional sacrificial victims added to the tiger and the human heads. What distinguishes these sacrifices clearly from others, in particular domestic sacrifice, is that the primary sacrificial victim here was a life-threatening enemy of the human community. The main purpose of the sacrifice is therefore to convert a life-threatening force into something else, that is, it 'has to do with capturing, harnessing and deploying [the] force of the enemy Other' (Fiskesjö 2000:324).

Both tigers, and enemies from other villages, directly threatened the life of individuals, lineages and villages. Tigers and humans were killed in defence of the village, but the sacrifices also perpetuated themselves, and the need to hold another sacrifice was felt when years passed without, or when no new heads were added to the skull groves of a village. The two purposes of headhunting – as a recurrent ritual for its own sake, and as a defence against enemies – mutually enforced each other. But they ultimately came to an end in the 1970s.

While many rituals are still observed, much has changed since the arrival of the Communist Party of Burma in the 1970s and later the establishment of the United Wa State Army in 1989. More paddy rice terraces have been built, the young engage in wage labour now, and more cash crops are produced locally. Compared to dry rice, paddy rice needs more work, in particular for the preparation of the fields and the irrigation channels. At the same time, more commercial goods from China are available in the village and in the local markets, and new cash crops, tea in particular, have replaced opium poppies. With the new cash crops, commercialization, and paddy rice cultivation, people had to work harder, some elders say today. In the past people would just work as long as they felt comfortable, or as long as absolutely necessary, whereas “now people work as long as they have strength”.

Other than work, the new cash economy also necessitated new kinds of trading arrangements. In the past the most important cash income was opium, and some men who had good connections to neighbouring villages and markets, had amassed some wealth trading in opium. But even during the era of the Communist Party of Burma, these men would still work the fields like everyone else. Only gradually new elites emerged during the 1970s and 1980s, who had amassed substantial personal wealth and who did not participate in menial work any longer. The emergence of this elite cannot be separated from the development of the military state, first under the Communist Party of Burma, and then under the UWSA.

2 The military state

The Wa State is governed by an independent army, which most observers of Burmese politics describe as the strongest non-state armed group of Burma. The military is a constant presence in everyday life in the villages of the Wa State. Many men served in the Communist Party of Burma or in the Wa Army, and most families have sons or relatives in the army. Cheap army cloths are the standard attire of most men in the countryside. The most powerful units of the government are the regiments of the army. Conscripts enter the army at a young age (approximately between 10 and 14 years old), and serve for different periods of time, sometimes various decades.

The Communist Party of Burma arrived in the Wa hills in the 1960s, and governed the area since 1971. In the next 20 years, it built the rudiments of modern government, including schools, prisons, and roads. The new institutions of the military state were overseen by the new elites which emerged at the same time. Before the arrival of the CPB some charismatic leaders had formed local militias that attracted members and followers from several villages.

Once these local militias had joined the CPB, their leaders slowly rose through the ranks in the communist guerrilla. The CPB remained ethnically divided, with Burmese intellectuals at the top, Chinese and Kachin commanders in the middle, and local ethnic Lahu, Shan and Wa as foot soldiers. By the end of the 1980s only three non-Burmese had joined the central government of the CPB in Pang Hsang. It was the same commanders who led the mutiny against the Burmese leadership in 1989.

At some point, the members of this new elite also stopped participating in farm work. Having served in long campaigns in the units of the CPB elsewhere in the Shan state and in the Golden Triangle, the army commanders had also begun to participate in the local trade in opium which had become the main source of revenue for the CPB since the People's Republic of China scaled down its support in the 1980s (Chin 2009). During the 1980s and 90s, the members of this elite also started exploring mineral resources, and later opened rubber plantations. And in all their business, the elites either relied on their positions in the army themselves, or sought the protection and legitimation of the army.

The new elites emerged together with a new class of followers. In the new institutions of the army, in prisons, schools, and local governments, relationships of patronage were established that went beyond the earlier acquaintances of kinship and locality. The strongest links of patronage formed around army commanders in their houses. In theory, similar links could form in the institutions of the military state: the army, local government, schools and prisons. But generally these links are much weaker; given that the arena is not the 'private' household of a leader, but a 'public' space, such as the army barracks, the village government, or the prison.

Nevertheless, the institutions of army, government, schools and prisons, also operate according a more generalized logic of care: officials, personnel, soldiers and students live together for long times and their work unit has a certain responsibility for their well-being. In principle at least, the work unit will pay for medicine and hospital costs if one of their members falls ill.

Powerful leaders in the army have appropriated large patches of land for plantations (rubber, tea, pines and other crops) and mines (tin, iron ore, gold). In many cases little compensation has been given to local farmers, and in some cases, entire villages have been re-settled following the opening of mines or plantations. Following the victory against the Mengtai Army of the warlord Khun Sa at the Thai border in 1996, the Wa army forcefully resettled about 120 000 people into the newly gained territory (LNDO 2002). The new 'Southern Command 'is several hundred kilometres from the central Wa hills and the forced migration brought a lot of hardship. The main reason for the resettlement, according to the Wa leadership, was to provide new land and livelihoods for farmers who could not plant opium any longer. As such, the Wa State was relatively successful in its fight against opium production and the promotion of substitute crops, such as rubber, tea, and coffee. Beyond that, forceful re-settlement also had the effect of destroying local loyalties and, paradoxically, strengthening the loyalties of the re-settled population to the military state. In the new environment of the Southern Command, the re-settled population relied to a large extent on the protection of the army.

Agricultural plantations and large farms in the Wa State are generally operated by the households of leaders themselves or by different units of army and government. Land is assigned to the household of leaders by army units and by the central government. The most

valuable assets, such as mining rights (tin, lead, and gold) are granted to army regiments directly by the central government; local farmers have been resettled in various such cases. Most members of the elite of army and state are involved in some business operations, such as mining, gem stones, retailers, and drugs (often with Chinese partners). Some members of the army have accumulated substantial personal wealth, and much of the investment in local infrastructure comes directly from the pockets of army commanders, rather than government offices.

Leaders are followed by a large entourage of soldiers, workers, and clients. Many of these 'big men' have a large number of poor relatives, children of relatives or people from their village of origin in their household. Sometimes these followers are able to make careers in the army or in business themselves: they might become the 'right hand' of a leader or move up in the army hierarchy, or start some business for themselves. But most of them will leave the mansion eventually (often at the point of marriage).

Local villagers have to do compulsory communal labour, such as repairing roads and dams, or work on the plantations of the army. The army also operates a system of forced conscription; even though some rules and guidelines are given by higher levels of government, the implementation is generally in the hands of local officials, who sometimes apply considerable brutality, in particular against the families of deserters. It is common that relatives of deserters are taken hostage to force deserters to return to their army units (Steinmüller 2019).

Sometimes intrusions of the military state, including the appropriation of local land, communal labour, and conscription, are resented by local farmers. In the village of Yaong

Rai, for instance, there is a large plantation owned by a leader of the central government who was born in the same village. Together with the headman of the village, he had arranged villagers to plant tea seedlings five years ago. But because no one took care of the tea plants, a large part didn't grow and dried up. Looking at the fallow slopes with a few tea plants between weeds and shrubs, the leader had his workers clear and hoe the slopes after two years. For one year, villagers could use the land to plant dry rice, but in the summer of 2017, the headman was called again to organise villagers to plant pine trees in the midst of the growing dry rice. Each village group was paid a small amount for this communal labour (these fees are administered by the village headman and the head of each village group, and will be spent on communal expenses, such as the rice for the workers the village sends to work parties). Quite a few villagers were annoyed at having to work again on the same slopes where they had planted tea seedlings only a few years earlier, in particular those who had planted their own dry rice (everyone trampled over the dry rice when planting the pine seedlings), and so some of them showed up late, left earlier, worked quite slowly, and extended their breaks chatting etc. – classical 'weapons of the weak' (1985) in Scott's memorable phrase.

But even though there are such muted signs of resistance, there are also strong moral imperatives to support the military state. The most fundamental moral justification of the military state is the necessity of defence against the Burmese national army: without the UWSA, the Burmese would overrun the Wa State and exploit the people and the land, it is said. And the army needs considerable amounts of resources and men. These forms of *raison d'état* or 'historicism' are used by leaders and elites in the Wa State to justify forced conscription and the monopoly the army has on land and labour in the Wa State.

Aside from actual service in the army, compulsory communal labour, the resettlement programmes and the police force in the Wa State are also organised according to military principles – after all, it was the military, first the Communist Party of Burma and later the UWSA, which built government and state structures. With the organisation of work and the division of labour according to the needs of the military also came a militaristic ethos that mixed military discipline with local codes of honour. Wa men pride themselves on their weapons (most farmers also have access to army rifles), the army uniforms (which are worn by farmers and village militias), and military codes of honour. Both in local discourse and on social media (many younger men and the elite now own mobile phones and wechat is the most popular app), there is a lot of praise for the strength of the Wa army, and never any criticism of its leaders.

When discussing compulsory labour and recruitment, for instance, villagers commonly compare the army to a family. Commanders are supposed to be like benevolent parents who take care of their children. Army leaders are commonly called by the same honorific (*tax*) as elders in the villages, and the expectation of hierarchical deference is extended from kinship relations to the relationships within the military state. Criticism might be voiced in terms of disappointment with a hierarchical superior: the people are like children of the government, and the army commanders do not fulfil their duty of taking care of their children.

3 Chinese capitalism

There are some trade connections to Burma proper and to Thailand, but the most important outside influence on the military economy of the Wa State is contemporary Chinese

capitalism: Chinese investments, in particular in mining and in agriculture, make up the largest part of large-scale investments in the Wa State. Since the abolishment of opium production in 2005 – the Wa State has by all accounts been fairly successful in its prohibition of poppy plantations – there have been huge new investments in cash crops such as rubber, tea, and coffee. While there is no more opium production, some members of the Wa elite have diversified into other illicit drugs, in particular metamphetamines. At the same time, mining now plays a huge role, and over the last few years, tin mining has grown exponentially, and the mining district of Manxiang in the Wa State is now the third-largest tin mining district in Asia (Martov 2016). Much of this money is coming from Chinese investors, and most of the raw products are exported to China. While the prices paid for raw material, such as tin, rubber, and tea, follow mostly the Chinese market, local production and mining concessions are generally given by the Wa government and the army.

Chinese investment today is only the latest episode of a much longer history of Chinese influence in the Wa hills. Already during the Ming-Qing transition of the 17th century, Chinese entrepreneurs operated large-scale mines in the region (Fiskesjö 2010b). During the 1970s, the PRC supported the Communist Party of Burma (which had its headquarters in Pang Hsang, now the capital of the Wa State) with weapons, rice, and uniforms. Chinese red guards joined the Burmese elite of the guerrilla army and established the first schools – promoting literacy (in Chinese) using Mao's Red Book and other canonical texts.

Infrastructure development, including roads, radio, and the electricity grid were first built by the Communist Party, and later extended with Chinese technology. In the last decade, the mobile phone networks were built by China Unicom and China Telecom, and Chinese Renminbi remains the most important currency. Chinese is the lingua franca of the Wa State, and only few people speak Burmese.

On this background, and given on-going tensions with the Burmese national government, Chinese companies and investors operate quite freely in the Wa State. They find patrons in the central government and in the army, who grant them business licences and excavation rights. Most of the technology used in mining and agriculture comes from China, and members of the Wa elite sometimes complain that they rely too much on the Chinese, but they can't help it, given that "the Wa have no education", and there are no engineers and intellectuals in the Wa State.

When business concessions are discussed between Wa elites and Chinese investors, the 'rationality' of the (Chinese) market is frequently evoked. Certain products might be 'eliminated' (*bei taotai*) in market competition, for instance. Business, government, and military should work together for the purposes of 'development' (*fazhan*) and 'construction' (*jianshe*), to make life more 'convenient' (*fangbian*) for the 'ordinary people' (*laobaixing*). All these keywords of Chinese development discourse are frequently used by officials of the Wa State in official pronouncements.

To some extent, the cooperation between Wa elites and Chinese investors then resembles the ways business operate in the People's Republic of China, where entrepreneurs need the cooperation and consent of Party officials. But there is much less paperwork or bureaucratic control in the Wa State, and the way in which Chinese companies and investors operate here generally resembles more an 'enclave', where actual conditions on the ground are largely set by the military government, and there is little market competition.

When measuring the needs of local populations against large-scale investments in agriculture or mining, members of the Wa elite often justify them as necessary for development and modernization; yet perhaps the most general rationale invoked is a military *raison d'état*: The Wa government and army, and by extension their elite, need resources to be able to defend themselves and their people.

In 2015, the Yicheng Group, a Chinese company, began building an entire new special economic district in the central Wa hills. Since the central government had agreed to this project, large swaths of land had been appropriated and given over to the Chinese company. To build the new 'special economic zone', the company employed large numbers of local workers. Members of the Wa elite helped to recruit villagers via middlemen. But local workers were not used to the strict labour discipline of the Chinese companies, and often problems of communication lead to tensions with the Chinese foremen. When conflicts broke out, representatives of the Wa army were called to mediate. As a guest of local officials, I heard about numerous conflicts in summer 2015, but it proved impossible to directly observe what was happening on the construction sites. Following some of these conflicts, hundreds of local workers fled the construction sites and simply walked back to their villages.

The arrival of the Yicheng Group in the Wa State speaks of the boom and bust of internet commerce in contemporary China: The main investor of Yicheng was the CEO of the company 'E Zubao', which by early 2015 had become one of the largest online market places for so-called 'peer-to-peer credits '(p2p) in the People's Republic of China. The platform connected private creditors and debtors and offered only minimal transaction costs for online credit. In May 2015, the daily turnover on the online platform had risen to 5 billion RMB (then about 800 Million USD). The company only provided the online platform, on which

creditor and debtors could meet without the mediation of banks. But in December 2015, it emerged that the company actually lacked the funding to cover a large part of the online transactions that had taken place, and within days, the CEO, several managers and board members were arrested in China. A large number of individuals who had invested in 'E Zubao' lost their money (Wuhong 2015). And the construction at various sites in the Wa State was cancelled immediately. Machines, foremen, and manager, disappeared without a trace.^{iv} The unfinished buildings of the TV station in the Wa State capital, Pang Hsang, and the abandoned mansion district in the 'special economic zone' of Aicheng remind the visitor of this brief episode in the history Chinese investment in the Wa hills.

The plantations of cash crops, small-scale Chinese investments in trade and infrastructure, as well as the boom and bust story of the special economic zone, represent different forms of contemporary Chinese capitalism. In the development of authoritarian capitalism, China is both the standard of comparison, as well as the major variable as the Wa State's big neighbour. The kind of authoritarian capitalism that has developed in the Wa State has similar effects as in China. Even though relative inequality has risen exponentially, living standards are higher and absolute poverty is lower than in the past. The elites of army and state who have become patrons of Chinese business are clearly the main beneficiaries. The hierarchies of the Wa State are based on the command structures of the army, and only recently there have been efforts to improve civil government. In this military state, Chinese capitalism is clearly reduced to its authoritarian aspects. There is no illusion of any separation of powers, or rule of law that would control the echelons of government and army.

Perhaps the core motivation for local Wa to participate in this programme was simply to earn some money (which they otherwise could have done by migrating – often illegally – to

Burma proper, or to China). But in fact most of these workers were introduced to the Chinese company directly by their local governors, in a similar way to what otherwise might have been compulsory labour. As in forced labour, their options for 'resistance' are limited, and in general their choices are not between earning money on the labour market or returning to their local subsistence economy, but rather whether or not they accept the suggestion (or order) of their government leader (who often arrives together with representatives of the army).

Aside from such large-scale projects, which are directly managed by the military state, the growth of wage labour and the commercialization of local markets are closely connected to Chinese capitalism. In recent years, in particular in the areas closer to the Chinese border, agricultural machines and consumer products are sold by Chinese traders, and a considerable number of people, in particular the young, go to China for wage labour (generally without permits or ID cards, they are taken to Chinese factories by Chinese and Wa middlemen).

Since opium production has been abolished in the Wa State, cash (instead of opium) has become more important as the main local currency. Cash crops, such as tea, coffee, and tobacco, have become more wide-spread, and many new plantations, rubber and fast-growing pine in particular, have been established, substituting for poppies. Much cash cropping is done on plantations that are owned by the elite of the military state and their business allies. Land is appropriated, entire villages re-settled, and local villagers employed in peonage relations. Extraction and accumulation in a plantation economy rely on the control of land and labour through the violent means provided by the military state.

But cash cropping and commercialisation have also had some impact on small-scale agriculture in villages: Since the 1990s, farmers have used more and more hybrid seeds, pesticides, and herbicides that are bought on local markets. Many local farmers also sell some tea and lumber to local traders. The increasing commercialisation and mechanisation of agriculture corresponds to a higher involvement and reliance on markets for consumer goods: in the past only a limited number of goods (mainly salt and some tools) were bought on markets, but now many more goods, tools, machines, and food are bought on markets.

Men who have worked outside the village on cash crop plantations, or in the army, but also those who haven't left the village but are doing some small local business, such as selling beverages and sweets in their houses, are often more savvy in dealing with money than those who only farm the land. While everyone living in the village still agrees on the value of farm work, it is increasingly clear to the young that farm work alone will not get you very far, and that sometimes it is more important to be quick-witted in negotiations. These changes are reminiscent of the commercialisation of agricultural production and local production that took place in rural China since the 1980s. In China local governments played an important role in this process, promoting monocultural cash-cropping (see for instance Steinmüller 2013: 98ff. on the introduction of cash-cropping in Hubei). The military government of the Wa State similarly facilitated the establishment of markets. But here small-scale peasant production is overshadowed by the new plantation economy, which is entirely in the hands of the elites, that is, military commanders and their business associates. Some villagers might be better than others in engaging traders and balancing the requests of business partners and relatives. But local commerce and agriculture are ultimately subservient to the economy of plantations, mining, drugs, and forced labour – all of which are controlled by the military.

In public speeches, local officials frequently discuss economic changes in terms of 'construction' and 'convenience', and never cease to stress the importance of solidarity: One of the most popular songs of the Wa State, says that 'one bamboo doesn't make a grove, you need two or three of them countless repeated are sayings Such strong. are we together :^v' times at official meetings and inspired a statue of two men holding a bamboo grove in the capital of Pang Hsang. The solidarity that is meant clearly implies obedience and subordination to the leaders of the Wa State. Such invocation of hierarchy and discipline might be seen as thinly-veiled justification for the Wa elite's rule and self-enrichment, and this is indeed how many outsiders interpret the pronouncements of the Wa elite. But local villagers only very rarely criticise it as such. More commonly, the elites are assessed on the terms of a paternalistic and militaristic ethos: a commander might be criticised, for instance, for being unreasonably harsh to his inferiors, or for not caring enough about his entourage. During my fieldwork in Yaong Rai, I never heard a criticism of one commander who had grown up in this village in terms of him being a co-villager who had betrayed his loyalties, let alone in terms of him being a businessman: instead, he was commonly berated for being capricious and for being cruel (attitudes which others respected and feared).

Both villagers and the elite of the military state, therefore, recombine the moral economies of subsistence, militarism, and capitalism. In this mixture of moral frameworks and economic arrangements, the values of militarism more often than not take precedence.

Conclusion: The Moral Economy of Militarism

There is a host of communal obligations that people living in a village in the Wa State have to be obey: hunting prey has to be shared with relatives and neighbours (often including the

village headman or higher officials, if they are present in the village). For life cycle events, such as weddings and funerals, but also in the case of bad luck (e.g. accidents), sacrifices and feasts of merit have to be arranged. The accusation of being stingy is still a very serious accusation. And in the village, expenses for ritual and sacrifice make up large parts of what peasants spend every year. People who do not slaughter animals and invite relatives and neighbours at important events, such as house building, weddings and funerals, invite the contempt of their neighbours. The ritual economy to some extent 'limits' capitalism in the sense in which the 'classic' moral economy of Thompson and Scott is said to have done. But in the Wa State of today, ritual and sacrifice have been substantially weakened in their potentially limiting impact on the capitalist economy. One reason for this is the ongoing commercialization of the agricultural economy, but perhaps even more significant is the impact of large-scale Chinese investments in the region. Such investments, in particular in mining and agriculture, together with the illicit economies of drugs and contraband, have pushed the logic of the market to new limits, which also has changed work ethics: for instance, some farmers work more than would be necessary for 'mere' subsistence, while others increasingly rely on negotiating skills, in particular when dealing with outsiders.

All these changes are inextricably intertwined with the development of the military state. The structures of supra-village loyalty in the Wa State were built primarily by the army; many men have served in the Communist Party of Burma and the Wa Army, some teenagers grow up in the mansions of big men, and most villagers have to do some compulsory communal labour. While there have been efforts to improve institutions of civilian government, many government functions are effectively taken over by the military, in particular when it comes to business licenses and permits. Some officials and leaders, in particular those who have high positions in the military, have amassed substantial wealth, some of which is invested in

government institutions, and the ways in which they command their households reflects a combination of militaristic discipline and local codes of honour. Such combinations are the local versions of military government, and they are not just a form of domination or a division of labour, but a proper 'moral economy': a system of production, consumption, and redistribution governed by changing moral imperatives.

Like in the Chad Basin according to Janet Roitman's description (2005), the military-commercial nexus is central to the government and the economy of the Wa State. Here too, we can identify "garrison-entrepôts" that regulate local economies and control labour and maintain ambiguous relationships with the nation-states of China and Myanmar. Yet, inside the Wa State itself, the moral economy of militarism is not competing with the nation-state, providing alternative authorities (in the manner in which garrison-entrepôts do, according to Roitman), but instead it clearly is hegemonic.

This moral economy centres on the values of militarism: codes of honour, military discipline, and *raison d'état*. Within these entanglements, the relationships of the subsistence economy, as well as contemporary Chinese capitalism, also play important roles. But they are over-determined by the values of militarism, both as a context for economic activities, and as a result of economic activities. In the changes that have occurred to the local economy, the values of militarism are of prime significance. Earlier practices of hierarchy (in particular between relatives) have been shaped into a military code of honour, in which the army is addressed as a family and military commanders as elders. Military discipline and *raison d'état* are the main form of articulation of values and serve as the justification of conscription, forced labour and re-settlement. Ethical reflexivity relates primarily to the values of militarism, rather than to an (idealised) moral economy of subsistence in small-

scale communities: that is, particular commanders are judged according to ideals of military honour, bravery, and ruthlessness, as well as paternal care, rather than a spirit of frugality and equality among villagers.

The opposition between 'moral economy' and 'political economy', and between ethical reflexivity and economic action, are convenient codes for analysts. But these oppositions are misleading when applied to a social context in which military defence plays a central role both in terms of moral and economic values. Peasants in the Wa state, and possibly in many other places in the highlands of Southeast Asia and elsewhere, worried more about their commanders on the battlefield, rather than the traders on the market.

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ⁱ This article is based on 18 months of fieldwork in the Wa hills of Burma and China during four fieldtrips between June 2014 and November 2017.

ⁱⁱ Götz (2015) demonstrates the continuity between the first uses of the concept by Enlightenment thinkers and E.P. Thompson.

ⁱⁱⁱ In the People's Republic of China, the Wa were labelled an ethnic group that "directly passed" (*zhi guo*) from original communism/slaveholder society to socialism, and already in the 1950s particular minority policies were applied to districts of minorities that "directly passed" (*zhi guo qu zhengce*), see for instance Chen Xiaojing (2011: 54).

^{iv} As in many of its other investments in the People's Republic of China, local workers and small companies had to bear the brunt of the bankruptcy of the Yicheng Group. According to blog posts, the Yicheng Group owed

more than 170 Million RMB to local individuals and companies in the Wa State when it went bankrupt (huazong diule jin gubang 2016).

^v *Ox tix gaw ang: chix mawh pang:, ra lei gax dawm chix mawh pang:.*