

## Trading Minorities in Southeast Asia A Critical Self-Evaluation of Recent Research Findings

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### Markets, Trade and Trading Minorities

Already Furnivall has described Southeast Asian societies as 'plural societies' in which ethnic groups maintain a separate identity but meet in the marketplace.<sup>1</sup> This situation has often led to violent conflicts and confrontations, but also to state formation and rapid economic development. Trading minorities, as they were called by Wertheim, have been of strategic importance for the social and economic development of Southeast Asia.

Particularly the informal sector trade is commonly carried out either by ethnic minorities or by women. This social fact demands an explanation and has given rise to much theoretical speculation. In order to address this question more systematically a research project was launched in 1984.<sup>2</sup> A number of field studies were designed to look into the question why certain ethnic groups have succeeded to monopolize economic positions and what role their social organization, their value patterns, and religious persuasions have played in fostering their economic success and hindering their assimilation to their host societies<sup>3</sup>.

In the following I shall present the most salient research questions asked and (self-)critically discuss some of the major findings of each study. In the end I shall attempt to outline some general conclusions drawn from the field studies.

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1 See the discussion on the Furnivall thesis in Hans-Dieter Evers (ed). *Sociology of Southeast Asia*, Oxford University Press 1980, pp. 86-162.

2 The project was carried out within the Southeast Asia Programme of the SDRC, University of Bielefeld, by Hans-Dieter Evers (study director), Wolfgang Jamann, Thomas Menkhoff, Suparb Pas-Ong, Jayarani Pavadarayan and Heiko Schrader. The financial assistance of the Volkswagen Stiftung is gratefully acknowledged.

3 Quoted from the report *Contemporary Southeast Asian Studies - The Southeast Asia Research and Training Programme 1981-1989*, Bielefeld: Sociology of Development Research Centre, 1989, p. 17.

## International Petty Trade

Unfortunately, the study of small-scale trade is beset by serious misconceptions and prejudices. International trade, including trade with world market products, is by no means confined to large capitalist enterprises. Petty trade across the borders of South- and Southeast Asian nations is brisk and its volume significant, though often lost in international statistics.

In most of our studies the long-distance or even international nature of petty trade was mentioned, though two studies were particularly focused on this aspect. Heiko SCHRADER provided us with a comparative study of five trading groups in Nepal, that originally traded across the Himalayas with Tibet<sup>4</sup>. In recent decades trade had to be redirected and several groups extended their trading networks to India, Burma, Thailand, Malaysia and Singapore. Schrader could thus demonstrate that indigenous forms of petty trade are an integral part of the international market system.

In another study<sup>5</sup> SUPARB PAS-ONG provides us with a vivid picture of small-scale trade and markets along the Thai-Malaysian border. But the study goes beyond the narrow confines of petty trade in an otherwise not very well known or important area of Asia. Paraphrasing Shakespeare he proclaims that all the world is a market and all men and women are market participants. In this he points both to the importance of market relations for all individuals in any society, but also to the "modern world system" integrated by world-wide economic relations and trade. Indeed, the interrelation between the small world of Thai and Malay market women on one hand, and the larger issues of societal transformation, international trade and the state are essential to the study and raise it above the level of a mere handicraft sociology.

Taking his clue from Max Weber's concern with the dialectics of market freedom and market regulation he traces the uneasy relationship between state and trade to the conflicts between petty traders and corrupt bureaucrats in the border area. Tension is programmed because, so Suparb argues, the market boundary does not coincide with state frontiers. Perhaps he somewhat overstates his point by asking who rules: the market or the state? What he has in mind and what is demonstrated in many empirical instances is the theoretically most interesting question, whether society is regulated by market forces or by state intervention. As we know from Max Weber the market

4 Heiko Schrader, *Trading Networks in the Nepal-Himalayas*. With an Introduction by Hans-Dieter Evers, Saarbrücken and Fort Lauderdale, Florida: Breitenbach 1988 and Heiko Schrader, "Trading Patterns in the Nepal Himalayas: The Case of Walongchung Gola", *Internationales Asienforum* 18, 3/4 (1987):253-278.

5 Suparb Pas-Ong, *Markets and Petty Trade along the Thai-Malaysian Border*, Doctoral Dissertation, Faculty of Sociology, University of Bielefeld, 1990.

produced social stratification, the state bureaucratic rule. Both principles of social organization are mutually dependent and the success of social transformation, political stability and economic development depends on the right "mix" between these two principles. Suparb sees this tension as an important field of future research and has it transposed into his case study on the Thai-Malaysian border trade.

This border trade is intriguing not only because of its importance but also because of its theoretical implications. It is an "informal world market" in which subsistence trading, i.e. trade for goods for immediate consumption and the satisfaction of basic needs is combined with trade in highly valuable, often technical world market products. But even this distinction appears to be misleading. As Suparb shows even foodstuffs for daily consumption like onions and garlic originate from diverse countries like the Netherlands, Argentina and the People's Republic of China. The state frontier separating two differently managed economic systems provides ample opportunity for small traders to take advantage of price differentials, in this case often "artificially" created by government regulations. Most traders carry their own goods in small quantities to the border markets, very much in the same way as van Leur<sup>6</sup> has described it for the Asian long-distance petty trade in the sixteenth and seventeenth centuries.

As already mentioned, Suparb does not engage in survey research and consequently he cannot provide us with detailed figures on the number of traders or the quantity of goods passing through the border markets. He shows us, however, how the system works by equating us with three traders whose life histories and daily activities are described and analyzed in great detail. Though otherwise we have learned to be skeptical when far-reaching conclusions are drawn from a few cases whose relation to the total population is not defined, I am inclined to accept Suparb's selection of typical cases because of his very intimate knowledge of the social scene. He distinguishes between two major types of traders: the "subsistence trader" and the "professional trader". The former type predominates as international petty trade leads to accumulation in big enterprises and via corruption in the state bureaucracy but not within the petty trade sector itself. Border trade thus remains basically a cash-and-carry economy. This analysis is, however, contradicted by the case study of a petty trader and some of his colleagues who made good use of the golden opportunity of a rice shortage and soaring prices "to establish and expand to become what they now are, merchants or

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6 J.C. van Leur, *Indonesian Trade and Society*, The Hague: van Hoeve 1955. See also Hans-Dieter Evers, "Traditional Trading Networks in Southeast Asia", *Archipel* 35 (1988):89-100.

mature capitalist enterprises" (chapter IV, p. 105). But still such cases are the exceptions rather than the rule. Still the rag-to-riches stories of petty traders who made it to business tycoons running a multinational business empire are among the favorite stories in Chinese coffee-houses throughout Southeast Asia representing the hopes and aspirations of the petty traders rather than common social reality.

Suparb's work is imaginative, reflective and sophisticated. The combination of presenting relevant social facts and interpretations on the social situations, thus described, provide us with a colorful mosaic both of the small world of Sungai Golok, Taba, Padang Besar and the many other border markets, but also of the world of international border trade in general. A hitherto neglected field of study has been opened, new insights gained, and a new dimension added to the classical question of the interrelation of state and market.

### Chinese Family-based Trading Firms in Singapore

The success of Chinese businessmen in Southeast Asia has baffled sociologists, economists and other social scientists for quite some time. The question why the Chinese have been successful, where other business ventures have failed, has been particularly intriguing for sociologists trained in the Weberian tradition. Had not Max Weber convincingly argued in his essays on *Religionssoziologie* that Chinese culture and religion have supported great achievements in state craft and technology, but not in economics? The prestige of the bureaucracy supported by Confucian values, the failure of rationalization and *Entzauberung der Welt* prompted by Taoism, has prevented China's transition to industrial capitalism. The experience of Hong Kong, Taiwan and Singapore provides us with undeniable proof that something must be wrong, if not with Weber's rather carefully argued case, though at least with the usual interpretation of Weber's work<sup>7</sup>. Further proof is provided by Chinese minorities in Malaysia, Thailand and Indonesia, where despite restrictive government policies Chinese trade and industry have flourished.

Was it the social minority position effectively excluding Chinese from government office and largely also from agriculture that forced them into business? What role did Chinese culture, values and religion play in creating a specific culture of conducting business? How did Chinese trading minorities

<sup>7</sup> Petra Kolonko, "Mit Max gegen Marx? Zum Beginn einer Weber-Rezeption in der VR China", *Internationales Asienforum* 18, 1/2 (1987):157-161.

differ from those of Indian or Arab groups which were at times equally successful, but in the long run lost out to the Chinese.

There are two studies addressing themselves to these questions. Field work was mainly conducted in Singapore, though data were also collected on and in other countries. The first study, by Thomas MENKHOFF<sup>8</sup>, starts off from a very thorough overview and discussion of studies on Chinese businesses in Hong Kong, Taiwan, Singapore, and throughout Southeast Asia. This review of the literature, however, quickly reveals that there is a lot of conjecture and very little in terms of reliable data. Why this is the case becomes apparent in the empirical part of the study. Chinese businessmen just do not like to talk about their business connections, they try to safeguard their trade secrets and are therefore a very difficult group to study. Menkhoff shows the problems faced by scholars trying to explain Chinese business success. On the one hand, Confucian values, which were blamed by Max Weber and others for China's failure to modernize economically, are proposed by modern scholars as the secret of success not only of Chinese business in Southeast Asia but also for the industrialization for the so-called four little tigers, South Korea, Hong Kong, Taiwan and Singapore (the NICs). On the other hand, the trading minority hypothesis put forward by Wertheim and others to explain the Chinese business success as a survival strategy holds also true for other minorities which have been less successful than the Chinese.

Another group of scholars puts great emphasis on family connections, both in the internal organization of companies and their international trading relations. This is one of the major aspects studied by Thomas Menkhoff. Are family connections the secret weapon of Chinese traders pursuing their business in a potentially hostile and insecure environment in colonial and post-war Southeast Asia? His answer is interesting enough. There is an important aspect which can be identified as both cultural and social-structural, namely, *xinyong* translated as trust. Following Luhmann<sup>9</sup> and his by now classic study on the subject it is pointed out that trust can be placed either in persons or in a system like the legal framework of a market economy. The latter aspect is not followed up very thoroughly, but the first aspect, namely personal trust or network of trusts is explained and investigated in great detail, first in the available literature, then in his own field study among Chinese traders in Singapore. The study shows that trust is, indeed, the "lubricant" of Chinese international trade and that kinship networks are also networks of

8 Thomas Menkhoff, *Trade Routes, Trust and Trading Networks: Chinese Family-Based Trading Firms in Singapore and Their External Economic Dealings*. Doctoral Dissertation, Faculty of Sociology, University of Bielefeld, 1990.

9 Niklas Luhmann, *Vertrauen: Ein Mechanismus der Reduktion sozialer Komplexität*. Stuttgart 1973.

trust. But this does not necessarily mean a total reliance on kinship networks as often claimed in the literature.

The field work (conducted together with Wolfgang Jamann and on one or two occasions also together with the present author) was concerned with 23 small trading-firms, trading primarily in traditional goods like sharks' fins, birds' nests, Chinese medicines or forest products. They ranged from small sole proprietorships to public companies, but all could be classified as small businesses in terms of amount of capital and number of employees. Menkhoff concentrated on the external relations, i.e. the trading network of these 23 companies. They provide a wealth of information on how the import-export trade is conducted, how the traders define their own role, the impact of government regulations, of generational conflict, and the uses of Chinese traditional culture. Altogether a very vivid and fascinating picture of the world of the small Chinese trader in the rapidly modernizing society of Singapore emerges.

Some critical comments are, however, necessary on the central theses of Menkhoff's study. He shows that, indeed, trust is an important aspect of trade not only among the Chinese but world-wide, but that Chinese traders place particular emphasis on this aspect of their business. But this, argues Menkhoff, does not necessarily mean that kinship is used as the basis of trust. In fact, only 4 of the 23 trading firms surveyed had any business connections with relatives in other countries. This leads him to the very strong statement that "stereotypical fantasy rather than sober empirical facts perpetuate pervasive ethnic stereotypes of 'the Chinese' and their 'networking character' along kinship lines". This very last sentence indicates, indeed, a very interesting and challenging result of the study, but will undoubtedly also raise criticism. After all, only 23 firms make up the sample and, as the author admits, "only a small part" of their network was analyzed (p. 109, chapter V). Though, of course, a fairly large number of persons was interviewed, still the unit of analysis is the firm and there are only 23 cases, which were not randomly selected, and which cannot sustain any claim to being representative for all small business firms in Singapore or even Southeast Asia. Furthermore, we have to interpret the networking along kinship lines not purely as a business matter in the narrow sense of the word, but also in terms of access to information, transport, government services, etc., a fact that was also mentioned by Thomas Menkhoff.

As we have argued elsewhere, business connections and trade have to solve the "traders' dilemma"<sup>10</sup>. On one hand, trust and even solidarity are

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10 Hans-Dieter Evers und Heiko Schrader, *The Traders' Dilemma - Trading Minorities in Southeast Asia*. Forthcoming 1991.

necessary to conduct business in an uncertain world riddled by economic crises, corruption and unpredictable legal systems, on the other hand, kinship connections make it difficult to get low prices, secure payment of goods delivered, and if necessary foreclosure, if the very kinship solidarity values are claimed by defaulters or in case of fraudulent deals. A common solution to this aspect of the traders' dilemma is the employment of trusted non-relatives, or those who by experience of long-term business dealings can be trusted to fulfill business obligations without claiming favours on the basis of kinship solidarity.

The second study on Chinese traders, conducted by Wolfgang JAMANN, looks at this group from a somewhat different perspective<sup>11</sup>. The basic underlying question also discussed in this study is the following: How did these traders manage to be successful in either geographically difficult or sociologically hostile environments? Why are most, though not all, of these trading groups ethnic minorities, and in how far is this mutual fact responsible, rather the consequence, of economic success and, last not least, what are the social structural and cultural features of these trading enterprises and those running them?

In contrast to a parallel study by Thomas Menkhoff who has concentrated on the trading networks of Chinese firms in Southeast Asia this study is concerned with the internal organization of small Chinese companies in Singapore. Data were derived from the rich literature and systematized into a "model" or rather an array of organizational features. These data have been used as a starting point of intensive interviews with Chinese businessmen in Singapore. From the vantage point of good basic knowledge of Chinese practices in Hong Kong, Taiwan und Malaysia, the Singapore survey could probe areas which were in doubt and clarify conflicting hypotheses.

Wolfgang Jamann argues that there are two basic lines of argument concerning the position, success and organization of small Chinese businesses in Southeast Asia. The first is the cultural line of argumentation, placing emphasis on Chinese ethics, particularly Confucianism. I have always found it difficult to follow the argument. Surely enough, Confucianism stresses hard work, filial piety, connections among family members and submission to political authority, but which religion does not stress these rather basic values? Furthermore, it is not clear why Chinese businessmen should be adherent to Confucius. There are a fair number of religious choices Chinese are able to make from Mahayana Buddhism to Taoist sectarian practices and

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11 Wolfgang Jamann, *Business Practices and Organizational Dynamics of Chinese Family-based Trading Firms in Singapore*. Doctoral Dissertation, Faculty of Sociology, University of Bielefeld, 1990.

Christianity. Which values have found entrance into business practices is difficult to research and is normally just assumed.

The other line of argument is concerned with the minority status of Chinese businesses and their lack of integration into their host cultures. This is further developed into the trading minorities hypothesis and into the problem of solving the "traders' dilemma". The minority position of Chinese businessmen in Southeast Asia has brought about hardship, persecution, and discrimination, at least in post-colonial times. But on the other hand, it has also allowed Chinese businesses to solve the traders' dilemma, i.e. the dilemma of either being integrated into the moral economy of the host society, and consequently subjugated to the pressures of solidarity and sharing, or, on the other hand, of separating from the host society, facing discrimination but also being able to claim debts, to accumulate capital and to conduct business and trade successfully. Wolfgang Jamann finds some merit in the traders' dilemma hypothesis but points out that the Chinese in Singapore are not in a minority position as 80% of the population is Chinese or of mixed Chinese descent. Traditional Chinese business is, however, subjugated to government pressure to modernize and is, therefore, put again in a minority position as a traditional trading "minority" facing the traders' dilemma.

Nevertheless Jamann is not quite satisfied with this hypothesis. Especially the situation of Singapore as a "Sinitic state" (his term) makes it necessary to look for other explanations. He finds his clue in a number of studies conducted by the Department of Sociology of the University of Singapore concerned with national identity. The link between the two different lines of explaining Chinese business is, so he argues, "Chinese identity". The stronger the Chinese identity based on various sources of Chinese culture and integrated by the pressure of the surrounding society the stronger is the adherence to autochthonous Chinese practices. The minority status and the traders' dilemma is thus transformed into the conflict of adhering to the modernizing multiracial state (the Republic of Singapore), or adhering to the culture of the place of origin of a migrant community, i.e. traditional Chinese culture (though not necessarily pure Confucianism).

The interrelation between Chinese identity and a particular brand of running one's business is shown in detailed descriptions of business practices of some of the businessmen under study. We learn of the generational gap between fathers and sons, the attempt to modernize or rather the pressure of the government to provide business data, accounting, tax returns and balance sheets, which the younger generation, educated in a business school, is able to provide. The result is a rather dynamic mixture of old business practices,



which probably have been in force for centuries and modern analyses of business data analyzed by computers and explained by American theories of business administration and trade (so one of the case studies provided).

This emphasis on change often missing from studies on traditional Chinese business is perhaps the most attractive feature of Jamann's study. He is able to go beyond the results of earlier studies, break new ground, and convincingly argues that in summary "the Chineseness in business concepts, management practices, and organizational dynamics" is notably stable but able to adjust to pressures of modernization both in terms of modern values and government pressure.

These two studies on Chinese businessmen are complemented by a historical study on rice traders in Central Thailand, conducted by Pannee Auansakul<sup>12</sup>, but not to be discussed here.

### Chettiar Moneylenders in Southeast Asia

The expansion of a market economy presupposes the availability of credit. Moneylending is therefore one of the most significant activities in this respect in agrarian societies. The position of moneylenders is always precarious. Having cash on their hands they are threatened by theft and violence. Extending credit requires supply of capital and the return of credit power and access to means of coercion. Trading in money is therefore a most interesting field of studying trade under extreme conditions. The Chettiar, a South-Indian Tamil group, have attracted the attention of scholars for some time. We have added an overall historical study under theoretical auspices<sup>13</sup> and a field study of the Chettiar community in Singapore<sup>14</sup>.

The South Indian Chettiar are one of the most fascinating migrant communities of Southeast Asia. Whereas the Chinese have swamped Southeast Asia in large numbers, setting themselves up as traders, peasants, coolies, restaurant owners, and in a host of other positions, the Chettiar have arrived in small numbers, sticking initially to their calling of moneylending. Their economic importance, however, far exceeds the smallness of their community.

12 Pannee Auansakul. *The Development of Domestic Rice Trade in the Central Region of Thailand 1800-1938*. Doctoral Thesis, Faculty of Sociology, University of Bielefeld, 1990.

13 Hans-Dieter Evers, "Chettiar Moneylenders in Southeast Asia", in: D. Lombard et J. Aubin (eds), *Marchands et hommes d'affaires asiatiques*. Paris: Editions de l'EHESS 1988, pp. 199-219.

14 Hans-Dieter Evers and Jayarani Pavadarayan, *Asceticism and Ecstasy: The Chettiars of Singapore*. Working Paper No. 79. Sociology of Development Research Centre, University of Bielefeld, 1985, forthcoming in Kernial S. Sandhu (ed), *Indians in Southeast Asia*, Oxford University Press 1990.

Though the Chettiar figure prominently in a number of historical studies, particularly on Burma, their social and cultural significance has not yet been subjugated to thorough analysis. A first step towards this goal is provided in the study of Jayarani PAVADARAYAN<sup>15</sup>. She concentrates her research on the Chettiar community in Singapore which, in fact, served as a centre of Chettiar activities throughout Southeast Asia. Field research data from the homeland of the Chettiar in South India and secondary data from other Southeast Asian countries are, however, also utilized.

As a theoretical framework Ms. Pavadarayan uses the figurational sociology of Norbert Elias with circumspection and success. Norbert Elias, being one of the recently "rediscovered" masters of European historical sociology, is in many ways a strange partner to the endeavour of analyzing an Eastern community. Elias was mainly concerned with the process of "civilization", i.e. the "taming of the inner self", of state formation and of medieval court society. Jayarani Pavadarayan had to do a good deal of theoretical transformation to arrive at a successful instrument for her analysis. In this she has emphasized power relations and the insider/outsider paradigm and neglected somewhat the social psychological processes and the "manners and customs" that are central to Elias' work in explaining the progress of European civilization and state of the "refined gentlemen of commerce" quite similar to the civilized noblemen at the French court. On the other hand, the Chettiar are an example of extreme frugality and asceticism which certainly cannot be said about French courtiers!

What then accounts for the economic success of the Chettiar community which contributed considerably towards the transformation of Southeast Asia into capitalist colonial economies and, to a no lesser degree, towards their own wealth? A comparison of the explanatory power of Max Weber's Protestant Ethic's thesis, and Norbert Elias' Theory of Civilization Process would have been most interesting. Jayarani Pavadarayan opts for Elias' approach and with a considerable degree of success. Her explanation is not teleological. She sees the Chettiar community in a long-term perspective. Already in medieval India the Chettiar had developed social and cultural mechanisms of differentiating themselves from the rest of Tamil society, undoubtedly aided by the caste structure. Both the religious organization of the Chettiar temple system and the social organization of family and kinship allowed the pooling of resources for the precarious business of international moneylending. Here,

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15 Jayarani Pavadarayan, *The Chettiars of Singapore: A Study of an Indian Minority Community in Southeast Asia*. Doctoral Dissertation, Faculty of Sociology, University of Bielefeld, 1986.

Elias' concept of insider/outsider relation provides a powerful tool to analyze the ups and downs of the Chettiar community.

When field work for this study was carried out, the Chettiar moneylending community was already in decline. This decline was, however, not necessarily beset by defeat and disaster, but was rather an ordered retreat into new occupational niches. These were provided by the growing demand for professional manpower in Singapore and by opportunities in estate agriculture and banking in India.

The study thus provides a fascinating portrait of a South Indian minority but at the same time also a case study of wider sociological significance. Jayarani Pavadarayan has thrown open the field for further comparisons with other minority groups both in Southeast Asia and elsewhere. The study is a good example of theory-guided empirical field research.

Moneylending is still widespread as an informal sector activity in Southeast Asia, though the Chettiar have lost their former significance. Self-help groups have filled the gap to a certain extent, as a study by Heinz Bongartz has shown, but other forms of moneylending are still performed<sup>16</sup>. It is intended to continue work on moneylenders in Central Java, where Heru N. Soegiarto is preparing for field research in cooperation with the Population Studies Center of Gadjah Mada University.

### Summary of Findings

The studies discussed in this paper have certainly contributed to our ethnographic knowledge of the organization of trade and of trading minorities in Southeast Asia. Which general conclusions can be drawn from the empirical data? At least some preliminary ideas or hypotheses should be outlined.

To repeat the most basic question of our research project: How is small-scale trade organized, what accounts for the success of traders and why are successful traders often trading minorities?

In answer to this question a number of hypotheses has emerged:

#### *The cultural value/achievement motivation hypothesis*

To be successful in trade a high achievement motivation is necessary. This achievement motivation is supposedly anchored in cultural values. Many

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16 Heinz Bongartz, *Self-help Organizations in Rural Java*. Saarbrücken and Fort Lauderdale, Florida: Breitenbach 1989.

researchers have taken their clue from Max Weber's famous "Protestant Ethic" thesis and looked for equivalents in other cultures.

#### *The ethnic identity and solidarity hypothesis*

This hypothesis is linked to the above mentioned trading minority hypothesis but puts greater emphasis on group solidarity and identity than discrimination of traders.

#### *The ecological hypothesis*

Trade makes only sense, if there is a difference in the availability and/or cost of production of commodities. Trade is therefore prevalent, where regions are ecologically differentiated. An extension of this argument leads to an inclusion of man-made factors like political boundaries and differences in government regulation of the economy.

#### *The trading minority hypothesis*

The empirical observation, that many traders are members of ethnic minorities has led to the hypothesis, that discrimination, especially in regard to the ownership of land, has forced minorities to take up trade in lieu of other activities.

#### *The (historical) trading network hypothesis*

It is assumed that trade, especially long-distance trade, requires also long-term social relationships between trading partners. Once established these trading networks have a tendency to persist over long periods of time, even if the original conditions which led to the establishment of these trading networks have vanished. The history of trade is therefore an important aspect for any explanations of the structure of trading networks.

### *The Traders' Dilemma hypothesis*

Peasant societies are characterized by a high degree of solidarity and by a value system, emphasizing mutual help, sharing of resources and subsistence security. Under these conditions, traders in a peasant society are faced with a number of basic problems. Traders may have to buy commodities from fellow peasants who are members of their own village community, but sell to others outside their village.

Being subjugated to the norms of village society, which usually implies a strong emphasis on solidarity, traders will find it potentially difficult to demand repayment of debts or to refuse credit to needy relatives or neighbours. They would therefore have to choose between loosing either cash or social esteem. In either case they stand to loose, i.e. they are in a dilemma in the strict sense of the word. Under these conditions it is difficult to accumulate capital in the form of goods and cash unless one cuts one's ties of solidarity with the surrounding society. Trade requires solidarity among the traders and social/cultural distance from customers. This can be achieved in various ways.

#### Solutions to the Traders' Dilemma:

1. Immigration of trading minorities
2. Formation of ethnic or religious groups
3. Accumulation of status honour (cultural capital)
4. Emergence of a cash-and-carry petty trade
5. The depersonalization of economic relations

The approach taken here differs from the other hypotheses on trade as the situation is seen from the traders' point of view and petty trade and the emergence of trading minorities is defined as the outcome of traders' action strategies to solve the traders' dilemma. A forthcoming book will examine trade and trading minorities in Southeast Asia more systematically following up the leads taken from the traders' dilemma hypothesis.<sup>17</sup>

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17 Hans-Dieter Evers and Haiko Schrader, *The Traders' Dilemma - Trading Minorities in Southeast Asia*. Forthcoming 1991.