

# Cross-border trade and the 'market' along the Karakoram Highway

Alessandro Rippa



Below: Pakistani traders at a bazaar in Kashgar (Rippa 2013).

Pakistani traders in China's Xinjiang often carry trading goods on the daily bus between Tashkurgan (China) and Sost (Pakistan). Far from informal, this form of un-taxed suitcase trade is rooted in trans-national networks of traders, relations with border guards, and a profound understanding of the rules governing 'the market' in this context. But what is this 'market' to which small-scale Pakistani traders often refer to? I argue that for Pakistani traders in China the market is neither simply based on trust, social relations and the continuous flow of information, nor does it correspond to the global, culture-free market economy. Those two models do not exist in separation, but rather both contribute to the construction of an idea of market that is inevitably trans-local and transnational, but that is also rooted in a set of relations that must be continuously performed on the two sides of the border. I contend that this approach is analytically more useful in the analysis of small-scale cross-border trade than any attempt to individuate different topologies of trade, or any analytical framework that revolves around notions of formality and informality.

## The big mosque: small-scale Pakistani traders in Kashgar

It was Ali who introduced me to the big mosque, shortly after he arrived in Kashgar for the second time late in the summer of 2012. The big mosque was the nickname that Ali and a few of his fellow traders from Gilgit-Baltistan, Pakistan's northernmost region, had given to the Sahar Hotel. The Sahar was a cheap hotel in a central part of Kashgar, Xinjiang, where many Pakistani traders – mostly Pashtun and Punjabi from 'down country' – stay. "You see, they always wear their shalwar kameez, always pray", Ali told me as we walked into the hotel. "There's even a prayer room in the hotel, it's like being in Pakistan".

The Sahar hotel was, indeed, quite an interesting discovery for me, and became a frequent destination for my daily strolls through Kashgar during the following months of fieldwork. Several rooms of the hotel were permanently occupied by import-export companies advertising fast and secure shipment of goods between Pakistan and China, either via the Karakoram Highway or via sea, through Karachi and Guangzhou or Shanghai. As we sat in his room, Ali walked me through the different steps involved in his business. In the following days, and over his next visits to Kashgar and a couple of meetings in Rawalpindi, I witnessed first-hand the complex network of contacts, commodities, logistics and technologies that Ali makes use of in the course of his many ongoing transactions.

On a normal day in Kashgar, Ali would visit at least one of the city's bazaars – or as he put it, "check the market". There he would visit clients who still owed him money from previous deals as well as fellow traders and shopkeepers to see if there was anything they might need. He would note down current prices and ask about new products that were selling well, and that he could find cheaper in Pakistan. All along, he would remain in

contact with partners, suppliers and clients from both China and Pakistan through his mobile phone. While in 2012 he used Skype, Viber, Facebook and WeChat with a similar frequency, already by 2013 most of his business transactions were carried out exclusively via WeChat. Through it, Ali could send pictures and videos of particular commodities to his suppliers in Pakistan or show them to potential clients in Kashgar's shops.

Back in Pakistan, Ali repeated many of these operations, travelling time and again from his hometown to Gilgit, Rawalpindi, Peshawar and Quetta, with occasional visits to Karachi. As is often the case with transnational merchant communities,<sup>1</sup> traders such as Ali operate within a larger network of contacts stretching across multiple locations. As I came to realise when walking Kashgar's bazaars with Ali, or sitting in traders' shops for long afternoons, as well as through days across markets and fairs in Gilgit, Urumqi, and Rawalpindi, this network was far from stable. Not only because players, commodities, regulations and technologies that constitute this network changed relentlessly, but also because the relations between these different actors were in constant evolution. 'The market', as I came to understand it, was always taking different shapes.

## Shadow economy, infrastructure, and checkpoint politics

It is an established anthropological argument that patterns of exchange, by establishing and reinforcing relationships between different actors, are also generative of particular communities and of the boundaries between them.<sup>2</sup> Traders along the Karakoram Highway thus make it their business to keep themselves well-informed: from season to season they follow the fluctuations of the prices of goods in the

bazaars of Kashgar and Rawalpindi. They are always quick to relay news to their friends through Skype or WeChat, and good relations with local officials ensure that they get wind of any new regulation that might soon be implemented. These particularly unstable relations, between traders, commodities, and the regulatory landscape through which they operate, are defining elements of the lives of traders along the Karakoram Highway that I described through the local notion of 'the market' in a Special Issue of the *Journal of Contemporary Asia*, based on an IIAS workshop held in Leiden in December 2015. This 'market', I have argued, is productive of social as well as spatial relationships, and conducive to various forms of mobilities. Let me now quickly explore some of the literature upon which the article was based.

Inquiries into illicit economies have often looked at borderlands as prominent spaces of lawlessness and shadowy exchanges. Abraham & van Schendel,<sup>3</sup> in their seminal work on the subject, identify the borderlands as spaces where activities that are legally banned but socially accepted often take place. They term such activities 'licit' and as opposed to what states consider to be legitimate or 'legal'. Recent works on everyday life at the borderlands of China have indeed remarked on the fluidity of such categories in the context of cross-border exchanges.<sup>4</sup> This literature emphasises how the state is often complicit in the emergence of particular shadow economies in trans-national contexts, partly through its investment in particular infrastructure through which such exchanges take place.

There is a vast and varied collection of literature that looks at infrastructure as technologies of state territorialisation, that is, the ways in which state power claims and extends control over its national space through a number of ordering practices and technologies. A powerful example, in the Chinese context, is Emily Yeh's work on the Tibet Autonomous Region in which she sees

development in the Chinese context as a form of territorialisation.<sup>5</sup> Development here is both a material and embodied process; one that aims at the transformation of both the landscape – through infrastructure – and subjectivities.

The question that emerges for me against this background is, how do such processes of state expansion, incorporation, and consolidation, occur in a trans-national context in which illegal, illicit, or informal practices are locally sanctioned and protected?

These two approaches are seldom addressed together as they implicitly seem to point towards two opposite directions: one challenging state power, one making a case for its consolidation. Yet building on both debates, the recent Special Issue edited by Tak-Wing Ngo & Eva Hung reflected on the very material spaces in which state and non-state actors negotiate particular exchanges.<sup>6</sup> In showing the limits of the concept of informality, contributions to the issue provided a number of case studies detailing the variety and complexity of shadow operations in a number of transnational contexts.

## The market

My contribution centred on Ali's experience. Moving from his ability to navigate the so-called bazaar economy in Kashgar, to his lengthy experience in dealing with state actors in both China and Pakistan, I defined the notion of 'the market' as experienced by small-scale cross-border trade along the Karakoram Highway. For Ali and his fellow 'China traders' the market is not something that simply exists, something to which they relate to and engage with. Rather, it is something that traders continuously make and perform, through regular contacts and virtual relations. Rather than being understood as fixed and objective, categories and notions such as that of the market need to be analysed in their discursive historical developments as well as in their contextual and contingent interactions through ethnographic methods. In the context of the China-Pakistan border trade, the market is performed through repeated encounters between traders, border guards and government officials. Such performances cut through social groups and create legitimacy across a wide spectrum of actors. My argument is that this approach to the study of trans-Karakoram trade is more useful than an analysis centred on the notion of shadow economy or the conceptual pairs 'licit-illicit' and 'formal-informal'. While notions of informality or shadow economy mainly refer to the nature of the trade, such classifications risk overlooking the complex set of practices that underpin its existence. By moving from Ali's experience and his understanding of the market, the article brought such practices to the fore and thus accounted for the fluidity of the market and of the roles that different actors play in it.

Alessandro Rippa,  
University of Colorado Boulder,  
[alessandro.rippa@colorado.edu](mailto:alessandro.rippa@colorado.edu)

## Notes

- 1 Marsden, M. 2015. *Trading Worlds: Afghan Merchants Across Modern Frontiers*. London: Hurst & Company.
- 2 Sahlin, M. 1972. *Stone age economics*. Chicago: Aldine-Atherton.
- 3 Abraham, I. & van Schendel, W. 2005. 'Introduction: The Making of Illicitness', in Schendel, W. & Abraham, I. (eds) *Illicit Flows and Criminal Things: States, Border, and the Other Side of Globalization*, pp.1-37. Bloomington: Indiana University Press.
- 4 See, for example, Saxer, M. & Zhang, J. (eds) 2017. *The Art of Neighbouring: Making Relations Across China's Borders*. Amsterdam: Amsterdam University Press; Karrar, H. 2013. 'Merchants, Markets, and the State', *Critical Asian Studies* 45(3):459-480.
- 5 Yeh, E. 2013. *Taming Tibet: Landscape Transformation and the Gift of Chinese Development*. Ithaca: Cornell University Press.
- 6 Ngo, T-W. & Hung, E. 2019. 'The Political Economy of Border Checkpoints in Shadow Exchanges', *Journal of Contemporary Asia* 49(2).