Bazaars at crossroads

What they reveal about informality, globalization and capital mobility

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Bazaars were once considered particular to so-called traditional societies, especially in Asia, and were expected to transition to modern markets as national economies developed. But despite steady economic growth in the latter half of the twentieth century, bazaars have continued to proliferate. That they continue to do so makes them uniquely suited to study state-society dynamics. My fieldwork in Central Asia—the Karakoram high mountain region of north Pakistan—illuminates how bazaars reveal informal relations in the commercial realm, elite ownership of rent-generating marketplaces, and horizontal networks between traders. Bazaars also offer a window into globalization, both for what happens, how bazaars are negotiated by traders and our understanding of transnationalism. Finally, bazaars offer unique perspectives on how global and regional political economies manifest at the grassroots level.

Geographic crossroads

The onset of Anglo-Russian rivalry in the mid-nineteenth century, popularly known as the Great Game, often brought out of Europe to Central Asia: as envoys and spies, cartographers and explorers, artifact-seekers and adventurers. While Central Asia was thus a shifting category—variously encompassing regions that today fall within Afghanistan, China, Pakistan, as well as Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—Central Asia was seen as a geographic crossroads. It was both a ubiquitous public space, which was both a ubiquitous public space, and a geographical crossroads linking East Asia and Russia on the one hand, and the Qing and British Indian Empire, on the other. Many European sojourners left detailed accounts of their travels through the region. A central feature of their accounts was the bazaar, which was both a ubiquitous public space, and accessible to visitors (some of whom only had a faint understanding of the communities they were visiting). Unsurprisingly, in these writings, the bazaar was a place of curiosity, and uniquely characteristic of local, Asian societies. By the middle of the twentieth century, however, the Asian bazaar had lost most of its earlier exotic appeal. This was specifically the case in Central Asia, which saw the imposition of Chinese and Soviet command economies; socialist ideologies sought to modernize so-called backward and localized means of production. More generally still, across Asia, the bazaar was a remnant of what Western social sciences were describing as traditional societies. In part, the reasons were geopolitical. They stemmed from the end of the second World War, and the European impetus to decolonize, in no small part resulting from US impatience with lingering colonial rule in Asia. But here too there was an ideological framing under the rubric of modernization theory. Modernization theory categorized bazaars as places of unregulated, personalized exchanges. (This view of the bazaar was not dissimilar to how bazaars were viewed by nineteenth century travelers). Following decolonization, it was assumed that with the development of national economies, bazaars would be replaced by the modern market. Unlike bazaars, markets purportedly rationalized: prices were fixed, information circulated evenly, interpersonal relations between seller and buyer were inconsequential. Following a linear Rostovian model, anthropologist Clifford Geertz famously envisioned the bazaar—market transition following the arc of national economic development in Asia. This was the bazaar at once, and, even though the trade is illicit, it is largely unaccounted in state bookkeeping. My research in Central Asia, China and the Karakoram mountains of north Pakistan, demonstrates how bazaars are informal spaces yet globally localized, and how they offer insights into twenty-first century capital flows. While my field research has tracked commercial and network connectivity from China’s Xinjiang region into Kazakhstan, Kyrgyzstan and Pakistan, my conclusions should correlate similar processes unfolding elsewhere in Asia.

Informality

Bazaar trade is informal for three reasons. First, bazaars have been unregulated for most of the time they have been observed by travelers. Following nineteenth century travelers). Following Asia, Turkey is a distant-second country of origin). But while bazaar trade contributes substantially to the national economy— in Kyrgyzstan, the undocumented bazaar economy may actually be larger than the documented economy—it remains outside national statistics. Second, these bazaars are informal institutions because of elite control. This central enables rent to be siphoned to an entrenched elite or bureaucracy for whom steady revenue consolidates their authority. Hence the bazaar is an important generating institution tailored to benefit a small stratum within society. Third, the bazaar is informal in how it consolidates horizontal networks, such as between sellers who might be from the same clan, laborers from the same village, buyers and sellers who build a relationship over time. This informality—undocumented exchanges, elite control over sectors of the economy, horizontal networks—can be traced to the 1980s, a pivotal decade in China and the Soviet Union, “To get rich is glorious”. Deng Xiaoping’s axiomatic phrase was true not only for reform-era China, but the Soviet Union under perestroika, too. In this new economy, hard currency was the medium of exchange, in which Jordan Mathews paltrily described as “a world of cash.”4 By the 1990s, the regional elite were creating niches in the new economic landscapes: as patrons of the new markets in Central Asia, they would be replaced by the modern market. It was in such traditions from modern economies, assumed to transition to its modern form, the market, as national economies developed. But this was not the case. On the contrary, beginning in the 1980s, bazaars proliferated: in China, in Central and South Asia, and generally, across the continent even as national economies diversified and grew. The growth of bazaars mirrored population growth and growing national economies. While there was a rise of a formal market in each of these regions—regulated capital flows adhering to state regulation—these did not preclude the proliferation of bazaars. My research in Central Asia, China and the Karakoram mountains of North Pakistan, demonstrates how bazaars are informal spaces yet globally localized, and how they offer insights into twenty-first century capital flows. While my field research has tracked commercial and network connectivity from China’s Xinjiang region into Kazakhstan, Kyrgyzstan and Pakistan, my conclusions should correlate similar processes unfolding elsewhere in Asia.

Globalization

In its most basic form, the Central Asian bazaar economy rested on the ability of merchants, merchandise and capital to move across international borders. Consider Dordoi bazaar in Bishkek, Kyrgyzstan. Dordoi is the second largest wholesale bazaar in Central Asia with about 20,000 outlets. An estimated 60,000 people are said to work in Dordoi. In data tabulated from 200 open-ended interviews with bazaar traders in 2013, I learned that more than a quarter of the people had traveled outside of Kyrgyz for business (almost all of them to China). Additionally, 77% of the merchandise was of Chinese origin. Although traders are generally reluctant to talk about money, payments traveled in the opposite direction. Information flowed in both directions. I have spoken to traders who made an effort to keep up with the latest fashion trends, whether through the Internet or by paying attention to "for export" goods and the movement of cash was seemingly in violation of state regulations; simultaneously, it could also be interpreted as a sign of border check points, that were cognizant of how authority was localized in particular checkpoints and how it could be circumvented. This then was not a borderless world, but one where individuals required knowledge of how to negotiate state regulation.

Capital mobility

Finally, besides what they reveal about informality and globalization, bazaars illustrate trajectories of global capital flows. Consider Afiyatbad, a non-descript border market in Pakistan’s Karakoram mountains. The Karakoram Highway runs through Afiyatbad, and 75 kilometers later it joins the Chinese road network at the Pakistan-China border. After 2013, the China-Pakistan Economic Corridor was mapped onto the Karakoram Highway, as one of six economic corridors under the Belt and Road Initiative, and its flagship project. While the volume of cargo from Cazihan passing through Afiyatbad has increased sharply since 2015—containers trucks barrel through checkpoints—trade data show that they are worsen off now. The reason: a new border regime clamping down on local cross-border trade. Where trade was previously commonly sustained commerce in the small bazaar and injected small volumes of cash into local household economies, now they are conducted amidst closed shops as containers roll past, the bazaar suggests that the Belt and Road Initiative moves investment capital between increasing distant locales—or ‘pivot cities’, in China’s policy lexicon—thus transforming bordering for commerce for whom cross-border mobility was essential. Hence, what is promised as benefit-for-all or win-win in Belt and Road globalizing narratives ends up bypassing the very people on the frontlines of the new geographies of connectivity.

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