The Focus

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Contending connectivities

In recent years, the most eye-catching politico-spatial project seeking to re-define the historical geography of global capitalism is the One Belt One Road (OBOR) initiative put forward by the Chinese government. OBOR is a state-initiated project aiming to construct cross-continental and cross-regional connectivity. This intriguingly compares with neoliberalism, which has hitherto been the main driving force of globalization. Unlike the neoliberal, market- and firm-driven logic, OBOR ascribes a transformative role to statal and inter-statal institutions in fostering regionalism; up to now, most mega-scale cooperative projects have been initiated by states or state-owned enterprises. Yet long before China promulgated the OBOR project, vast networks of cross-border exchanges had already been established across Asia, Eurasia, and Africa. Such exchanges in the form of trade and resource flow were largely carried out beyond state control, and are hence seen as belonging to the realm of the shadow/informal economy. The scale and scope of these shadow operations are no less breath-taking than OBOR. The reach of the networks is equally mind-boggling. They stretch from Guangzhou to Bangkok, Dubai, Istanbul, Nairobi, and Accra; from Yiwu to Khorgos, Almaty, Dordoi, and Cairo; from Kashgar to Sost, Gilgit, Rawalpindi, Karachi, Peshawar, and Kabul. They are formed by a vast number of entrepreneurs, money brokers, and migrant labourers sojourning between different productive and distributive centres. Our comparative studies find that shadow exchanges differ in their type of networks, degree of coordination, and nature of transaction. There is a rich diversity of operations that extends beyond our available conceptual categories.

Informal connectivity in transnational shadow exchanges

Transnational networks play a key role in the global flow of resources. Complex webs of inter-state, inter-city, inter-firm, and inter-personal networks have been created, activated, and established to foster long-distance connectivity. Yet the regulated activities of trade, foreign direct investment (FDI), migration, and related activities constitute only a portion of all transnational exchanges. The rest is undertaken in the shadows. Every day, vast networks of people and organizations shuffle goods, money, and humans across the globe’s borders. While operating in the shadows, these transactions are substantial and crucial for domestic, regional, and global economies. Unsurprisingly, owing to their obscure nature, the assortment of border exchanges, the diversities of brokering practices, and the variations in informality have not been fully studied. Our joint project, presented in this Focus section, seeks to address these issues by re-examining transnational informal exchanges across Asia and Eurasia from a bottom-up perspective.

These transnational shadow exchanges constitute a kind of globalization from below. Ironically, when challenging the market-driven logic of neoliberalism, OBOR’s state-led approach to high-end globalization is in itself confronted by informal connectivity created by rhizomatic networks of individuals and groups. How the three logics of globalization – firm-driven, state-led, and network-based connectivities – interact, therefore opens a new agenda for scholarly enquiry.
Characterizing shadow economies and informality

Unlike the regulated, legally enforceable, contractual exchange in the formal economy, shadow exchanges are often conducted on interpersonal networks and trust. Because of that, there is a tendency to characterize cross-border shadow exchanges as informal activity. While many observers have recognised the complexity and dynamism of borders, few have studied at an interactive level how brokers operate by checking points in shaping border dynamics. By checkpoint politics we refer to the multiple and power-privacy gaps among state and non-state actors in negotiating the selective permeability of borders through state-controlled gateways. Put differently, a checkpoint is where state power meets the informal economy. Brokers rely on colluding state gatekeepers for preferential passage and information on border control. In return, gatekeepers offset costs on brokers for the coordination of movements through the checkpoints in an orderly manner. It is a onetoone or even one-to-few broker-cost exchanges characterised by periodic tensions and conflicts. The negotiation of passage is thus a key activity of checkpoint politics. It is predicated upon skillful manipulation of precisely in terms of space, time, and agency. Skilled traders and brokers alter their paths of movement in response to frequent changes in the control routines, customs fees, import/export bans, or crackdowns at various points of border entry. In addition, they synthesize and synchronize different jurisdictional data, timetables and schedules, and from the checkpoints, they coordinate movements through the checkpoints in an orderly manner. It is a one-to-one or even one-to-few broker-cost exchanges characterized by periodic tensions and conflicts.

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