Section 2
Neighbouring beyond Proximity
4 Trading on Change

Bazaars and Social Transformation in the Borderlands of Kazakhstan, Kyrgyzstan and Xinjiang

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Introduction

Narratives of post-Soviet trade experiences often convey a certain ambiguity. Their connotation staggers between nostalgia and ongoing socioeconomic hardship, between the uncertainty of the frequent change of rules and the promise of evolving opportunities. When 46-year-old Marzhan, a single mother of two children, elaborates upon her life course since Kazakhstan’s independence in 1991, it comes as an unbelievable story amidst the scenery of shipping containers, rushing cart-pushers delivering enormous bales of goods along the rows, and the ubiquitous scent of Chinese textiles. Her initial trade activities at ad-hoc open-air bazaars in Almaty- Kazakhstan’s former capital and most populous city some 360 kilometres from the Chinese border- indeed have been driven by socioeconomic necessity, a sense of responsibility, and entrepreneurial fortune-seeking. Over the years, she has gradually acquired, expanded and validated business contacts as she skilfully navigated economic, juridical and political uncertainties. Nowadays, with enormous efforts and capital invested over the past decade, her flourishing wholesale business of Beijing-manufactured, self-designed outerwear at Almaty’s Bolashak Bazaar has become a highly dependable source of income.

The sprawling bazaars in Almaty (Kazakhstan) and Bishkek (Kyrgyzstan), as the backdrop of Marzhan’s narratives, are the ethnographic locus of this chapter. In the past decades, these bazaars have evolved into major nodes of post-Soviet retail and wholesale trade networks (see Spector 2008, 2009, Nasiritdinov and O’Connor 2010). The bazaars in Almaty locally known under the Russian generic expression for flea market (barakholka)

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are a labyrinth of containers and hangar-sized warehouses along a several kilometre strip on both sides of the city’s northern ring road. ¹ The bazaar is not just a place of ubiquitous consumption, but also an important place for employment.² The second largest bazaar in Barakholka is Bolashak, which consists of 3,500 sales booths and warehouses in the form of standard 10-, 20- and 40-foot shipping containers stacked up in two-storey rows. The ground-level containers are usually used as sales booths and the second-level containers as additional storage space for merchandise. In 2006 Bolashak’s estimated annual sales, predominantly in textiles, were valuated at least US$660 million (Kontinent 2006). By 2011, according to data provided by the bazaar administration the number of entrepreneurs exceeded 7,000.

¹ Almaty’s retail and wholesale bazaars since summer 2013 have been subject to considerable urban redevelopment, in the course of which container bazaars have been replaced by shopping centers.
² In 2007-2008, Barakholka’s bazaars were responsible for an estimated 5.1 percent of local employment (World Bank 2009: 10).
Impressive as it may seem, the size of Almaty’s Barakhola Bazaars, of which Bolashak is only one of the 28 (by other accounts 35), appears miniscule in comparison to the Dordoi Bazaar – Barakhola’s counterpart and competitor across the border in Kyrgyzstan’s capital Bishkek. ‘Dordoi Republic’, as it is called by the Russian edition of the Forbes magazine - due to its inherent dynamics as a ‘state within a state’ and its strategic importance for the country’s economy (Forbes 2011)- was founded in 1991 by the former functionary of the Communist Party’s youth wing, Askar Salymbekov. Over the years, it has developed into a bustling centre for the re-export3 of predominantly Chinese-made consumer goods to other Central Asian Republics and the Russian Federation. From Dordoi, Chinese goods are shipped to cities as far as Moscow, Novosibirsk and Yakutsk. Dordoi encompasses a vast area between 53 to 100 hectares in the northern outskirts of Bishkek, which accommodates a large number of sales booths counting somewhere from 6,000 to 17,000.4 The Dordoi Bazaar operates almost exclusively in the form of double-stacked shipping containers lined up in rows along heavily frequented passageways. Before the 2008 worldwide financial crisis, the estimated monthly sales of textiles, household appliances, electronics, and construction materials were worth US$331 million with three million customers visiting the bazaar monthly (World Bank 2009). Although sales have come down considerably for various reasons since 2008, there still are approximately 30,000 to 40,000 traders, vendors and transport providers making a living from Dordoi. According to a report by the German development agency Gesellschaft für internationale Zusammenarbeit (GIZ), the total number of people employed at the Dordoi bazaar is even several times higher (GIZ 2011).

Despite the centrality and prominence of the bazaar economy in this region, scholarship on the dimensions and the everyday mechanisms of bazaar-based trade is limited. With a few exceptions (Angermann 2006, Nasritdinov and O’Connor 2010, Spector 2009, Laruelle and Peyrouse 2009, Zhaparov 2009, Özcan 2010), current studies of post-Soviet transformations in Central Asia have not yet paid enough attention to this essential aspect of economic life. Much of the recent work on China’s rising impact in post-Soviet Eurasia has focused on geopolitical issues of inter-state cooperation

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3 In this context re-export means the export of imported goods by Kyrgyzstan due to favourable customs duties and without value added through further procession.

4 The large variance in the data provided in various sources stems from counts at different periods. While Nasritdinov and O’Connor give a number of active stalls of 6,000, as a result of their mapping of Dordoi in the winter of 2006 (Nasritdinov and O’Connor 2010: 73), a recent GIZ report puts the number at 17,000 (GIZ 2011: 14). A World Bank report overestimates the number of sales points with 40,300 (World Bank 2009: 10).
in the framework of the Shanghai Cooperation Organization or the rhetoric of the ‘new Silk Roads’ or ‘new Great Games’ (Karrar 2009, Clarke and Mackerras 2009, Laruelle et al. 2010). While these lines of inquiry are important as a starting point, this chapter seeks to go beyond the ‘container perspective’ of a state- or area-centred approach by focusing on localized relations as well as the dynamic mobilities of people, goods, and values between various locales. This chapter traces the multi-level interrelations that contextually shape, and are being shaped, by bazaar-based trade across China’s north-western borderlands.

The question I address in this chapter is how bazaar traders, operating from quite a distance from the actual borders with China, use their social skills, knowledge and ties to survive and prosper in the volatile context of cross-border trade and exchange. Their social relations across and often far beyond borders, in fact, condition a ‘neighbouring situation’ that continues to reproduce the volatility that facilitates their entrepreneurial success. I argue that in this context, the ‘art of neighbouring’ is one of distant arrangements where actors engage with one another in strategic ways to cope with challenges and vulnerabilities. At the same time, neighbourly relations at a distance continue to shape livelihoods of traders who rely heavily on cross-border economic activities. I thus deem the conscious valorization of these business relations between the local and the translocal a neighbouring practice, as they clearly remain functionally linked and embedded into ‘spaces of engagement’ (van Schendel 2005) that are made up by a relational (rather than strictly territorial) understanding of borderlands. This type of ‘neighbouring’, which is a deliberate and habitual social practice in borderland bazaar traders’ everyday life, will be the first focus of this chapter.

Micro-level trade dynamics, however, are just one part of the story this chapter tells. The commercial activities of bazaar entrepreneurs are closely tied to state-led modernization schemes and their outcomes. A case in point are Beijing’s far-reaching multi-billion dollar development programs in Western China. The explicit goal of these development programs is to

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5 Millward (2009) gives an insightful account of how the official Chinese metaphor of a ‘new Silk Road’ is distinguished from the western one: ‘Whereas outside China the cross-cultural exchanges of the ‘Silk Road’ can serve as a heart-warming counter-argument to the ‘clash of civilizations’ world view, Chinese silk-roadism is more parochial and nationalistic’ (Millward 2009: 55).

6 Participant observation and unstructured biographical interviews were conducted by the author at Barakholka’s Bolashak Bazaar in August-September 2011, April and October 2012, and Dordoi’s Kitai Bazaar in March-May 2012.

7 Western China, as defined in the framework of China’s Great Western Development strategy, comprises more than 70 percent of China’s territory that is considered peripheral.
turn China’s West from a remote frontier into a transport corridor and a vibrant space for trade (Goodman 2004, Shih 2004). In a similar way, recent modernization schemes in Kazakhstan - which include the on-going implementation of a Customs Union with Russia and Belarus since 2010 and the establishment of the International Centre for Border Cooperation at the Sino-Kazakh border - not only dominate the public discourse in Kazakhstan and Kyrgyzstan, but also directly affect the conditions for trade. State-driven modernization projects have, in fact, not only defined the larger context of trade but also specifically targeted nodes of small-scale trade networks such as border crossings as well as urban bazaars.

The impact of modernization projects on established practices of trans-border trade is the second focus of this chapter. I examine the ways in which power asymmetries within and between these various sites set particular conditions within which bazaar entrepreneurs are able to (or fail to) develop their businesses. I analyse how bazaar entrepreneurs contest the change of rules and accommodate novel modes of distribution. Given the importance of trade to a large proportion of Kazakhstan’s and Kyrgyzstan’s (self-)employed population, it is important to highlight the mechanisms behind diverse trans-border trade activities. However, because of the ambiguous nature of these (extra-)legal trade activities, and the fact that most shipments are transported by avoiding customs duties and taxes, there is a high degree of secrecy surrounding the channels of supply. Trans-border trade therefore entails a certain degree of resistance against propagated rules and the official terms of legality. Taking it as an essential everyday skill, traders have learned to adapt to top-down interventions as they work with their ‘neighbours’ across the border to actively contest, subvert and circumvent respective rules. Their active engagement with state rules and with one another has in turn played an important part in shaping the actual outcomes of the modernization drive that has swept across the borderlands. For bazaar entrepreneurs, a crucial everyday skill in this context is to actively anticipate future change and make use of its potential in the best possible way through strategic collaborations with their close neighbours. To put it in a different way, active neighbouring conditions the possibility for success as bazaar entrepreneurs participate in and trade on change.

and largely populated by ‘minority nationalities’ (shaoshu minzu 少数民族). Western China includes six provinces (Gansu, Guizhou, Qinghai, Shaanxi, Sichuan and Yunnan), five autonomous regions (Guangxi, Ningxia, Inner Mongolia, Tibet and Xinjiang), and the municipality of Chongqing.
The Roots of Post-Soviet Trade

In the borderlands of Kazakhstan, Kyrgyzstan and Xinjiang, neighbouring is not necessarily based on geographical closeness, although the ‘neighbouring situation’ first and foremost suggests a sense of proximity. While physical proximity often conditions frequent interactions as an inevitable part of daily social life, it is not a prerequisite for making connections and forming relations in the borderlands. In fact, trans-border connections can be negotiated between rather distant nodes in a widely spun translocal network of trade (Karrar 2013). These nodes – bazaars, production facilities, border crossings, or transport hubs – are located hundreds of kilometres away from each other and away from the border or the urban centres; but they are crucial points of connection, interaction and exchange. They help to stretch trade networks when business is thriving; and they contract when the local and regional political-economic situations change, making the neighbouring situation elastic in a way.

Right after the disintegration of the Soviet Union in 1991, the spatial and social organization of trans-border trade was rather different. Marzhan, like many of my interlocutors, remembers how in the early 1990s the Kazakh border village of Khorgos and the nearby cities of Yining (Kulja) and Zharkent (formerly Panfilov) faced an unexpected boom in cross-border trade with consumer goods. Ad-hoc traders, individually or in groups, came all the way from Almaty and Bishkek to barter away what was left from Soviet state enterprises, including residual production and scrap metal, for cheap Chinese consumer goods. Over the 1990s these trade patterns changed for reasons yet to be fully understood.

Today, Zharkent is a sleepy border town that does not seem to capitalize much on its strategic position anymore, even with the advantage that Zharkent residents are entitled to enter China and stay for 24 hours once a month without a visa. Local traders in Zharkent’s central market informed me that Chinese consumer goods now make a loop to Almaty’s bustling Barakholka Bazaars first before being shipped back to the border town itself.8 Almaty- and Bishkek-based wholesale merchants today take over the lion’s share of trade. These merchants serve as redistributors of goods and

8 There are different views on the role of the immediate borderland communities in trade activities. Spector has also observed that communities residing close to the border are largely omitted by trans-area trade flows (Spector 2009, see also Parham 2009). A World Bank report published in 2007, however, sheds a different light on the success of the Khorgos crossing and the strategic positioning of border communities in trade development (World Bank 2007).
facilitators for the mobility of people and commodities. In China, the immediate border towns, though thriving in comparison to their counterparts on the Kazakhstan side, are outplayed in their significance by Urumqi, the rapidly growing capital of Xinjiang located 670 kilometres from the Kazakh border at Khorgos. Urumqi has become the major transport and trade hub in the course of China’s Great Western Development campaign (Raballand and Andrésy 2007: 244-246, Sadovskaya 2012: 91). Roads, railways and pipeline constructions further amplify Urumqi’s role as a transit hub on the projected economic and development corridor between Coastal China, the Middle East and Western Europe (Zhao 2001).9

Far away from the Sino-Kazakh border, Almaty’s Bolashak Bazaar carries this vision of economic prosperity and development already in its name. Literally meaning ‘future’ or ‘progress’ in Kazakh, ‘bolashak’ connotes aspects of actively moving towards, or crafting progress without carrying the imprint of the past. With all hopes invested in the future, the Bolashak Bazaar and other contemporary bazaars make the impression of relying on centuries-old trade networks and routes of exchange along the ‘Silk Roads’. Many of my interlocutors insisted on some sort of historicism claiming that these networks and routes are inherent to the local systems of distribution and consumption for ages.

The Bolashak Bazaar was founded only in the mid-1990s allegedly by private investors whose identities remain a mystery.10 Local legend has it that these black market ‘profiteers’ were the pioneers of contemporary bazaar trade, who established their business through flourishing connections in the ‘second economy’ and to leading political circles during as early as the late Soviet times.

Back in those days, ‘profiteering’ (spekulatsiya) as bazaar trade (and any form of private trade) was pejoratively referred to, was a serious criminal offense and was broadly condemned as immoral and uncivilized. Despite that, the acquisition of highly desired but otherwise unavailable goods was practiced to some degree all over the Soviet Union. This practice required a skill in building and maintaining personal relations (blat), which when performed in private, aptly and effectively was considered a perfectly

9 The annual China Eurasia Expo, for example, is currently promoted by Chinese officials as a flagship event for opening-up and trade development with neighbouring states at the ‘new Silk Roads’ (Kontimost 2011).

10 While in Kazakhstan the identity of bazaar proprietors and their connections to leading political circles remain largely a matter to rumours (Spector 2008), bazaar proprietors in Kyrgyzstan are well-known public figures due to their presence in political life, often being members of parliament or in other high-ranking administrative positions.
acceptable (or licit) social behaviour in order to deliver and acquire deficient goods and services on an everyday basis. Caroline Humphrey notes a similarly ambiguous representation as outlined above in her assessment of post-Soviet trade: ‘Reactions to the facts of trade emerge from the underswell of the habitus of people’s life, which was formed in Soviet times but is now [after the dismantling of socialism] undirected and contradictory’ (Humphrey 2002: 175). Hence it makes sense to inquire deeper into how strategies, directions and experiences of trade practice continue to inform and to be shaped by this ambiguity nowadays.

Routes and Connections

From the Soviet era to the contemporary, the representation of bazaar trade in the region has always provoked a mixed sentiment among traders who continue to borrow the Soviet rhetoric of condemning the ‘shadiness’ and immorality of profiteering in the bazaars, and at the same time sing praises of the tantalizing profitability that bazaar trade offers (Alff 2015). Marzhan, as one of the most experienced entrepreneurs at Bolashak for example, often switches between condemnations of what she perceives as ‘uncivilized trade’ in the bazaars, in the following associated particularly with poor working conditions, and its (illicit) profitability:

As many others, I started here hawking merchandise in open-air market stalls all year round. Working conditions have not improved much since the containers are in place. It’s still incredibly hot in summer and freezing cold in winter. But nowadays hard work, 10 to 12 hours each day, pays out for me.

Having endured the arduous years since she first started her business, Marzhan was able to gradually expand the reach of her business relations. After quitting her underpaid job as a lawyer in 1993, she became active in the so-called ‘shuttle trade’ (chelnochnaya torgovlya) – a common way to make a living in the years after the end of the Soviet Union. 11 Being a shuttle trader, Marzhan first imported small quantities of Chinese textiles from

11 Spector’s seminal work (2009: 98) provides a cautious estimate of 100,000 to 170,000 people in Kazakhstan being involved into transnational trade during the 1990s. For Kyrgyzstan, she estimates that out of a population of 5 million people in 1996 between 500,000 to 800,000 were involved in trade on an occasional or permanent basis (Spector 2009: 58-59).
Urumqi’s Bingtuan (兵团) wholesale trading centre with the assistance of interpreters and middlemen. After a temporary setback during the 1998 financial crisis in Russia, Marzhan and her business partner Adil expanded into the wholesale business. Today they rely on well-established personal contacts with manufacturers in eastern China, a strategy that has allowed them to bypass middlemen services in Xinjiang to cut costs. In 2005, they started working with a factory in Beijing to supply fashion apparels for men and women. This business generated a remarkable sales turnover of up to US$1.5 to 2 million per annum. Marzhan and Adil’s orders from Beijing are pressed into large bales, transported overland by train and truck across Western China and the Khorgos border to Kazakhstan – at peak seasons several truck loads per week.\(^{12}\)

Apart from experienced Kazakhstani\(^{13}\) entrepreneurs who have learned to successfully navigate the broader trans-border marketplace that links China to Central Asia, traders from other origins also started to expand the existing networks and bring in new dynamics to the booming bazaar trade. One of the rather new phenomena is the increasing proportion of traders, salaried vendors, drivers, cart-pushers and caterers from Kyrgyzstan in Almaty. Their arrival in the Bolashak Bazaar contributes to a much more complex neighbouring situation in the borderland trade networks. Among those who operate their business in Bolashak’s 14 rows of double containers (approximately 130 containers each), the majority of vendors are believed to be Kyrgyzstani. A large number of them went to Bolashak after a series of recent political turmoils in their home country in 2005 and 2010 respectively.

Not unlike the Han-Chinese businessmen who used to form a large community at Bolashak and the other bazaars of Barakhholka throughout the 1990s,\(^{14}\) Kyrgyzstani bazaar entrepreneurs and employees are currently the

\(^{12}\) The major reason why entrepreneurs still prefer small-scale, ad-hoc trade units over formal companies or trading firms is the low taxation and customs duties. The juristic person of the firm is often taxed in a close-to-exploitative way in both Kyrgyzstan and Kazakhstan.

\(^{13}\) The term ‘Kazakhstani’ is utilized throughout this text for the citizens of Kazakhstan, while ‘Kazakh’ refers to the ethnic group only.

\(^{14}\) The Han-Chinese traders were forcibly driven out the bazaar economy through high ‘fees’ that were imposed on them in Kazakhstan, others were virtually deported from Kazakhstan to Kyrgyzstan. According to the head of Bolashak bazaar administration in Almaty in 2011, there were just about 80 to 100 Chinese traders left, most of whom employed Kazakhstani vendors at their sales outlets. Despite xenophobic sentiments in Kyrgyzstan, the Chinese established wholesale businesses at Dordoi and Karasuu bazaars thanks to a much more liberal climate there. Han-Chinese businesses have been the target of violent attacks in the past. During the Bishkek riots of 2005 and 2010 the Chinese shopping centre GOIN was burned down twice. The Dzhunkhai section of Dordoi, dominated by Han-Chinese merchants, was destroyed by a fire as well in 2008.
main targets of increasing resentment by local Kazakhstani traders, who blame them for using price dumping to manipulate local competition. Azhar, for example, a 36 year old Kyrgyzstani woman selling tights just a few steps away from Marzhan’s thriving fashion business, complains that she and her compatriots are controlled and frequently harassed by Kazakhstani state officials, especially from the immigration agency. She only has non-resident status in Kazakhstan, and therefore no legal right to operate a private business. Lacking proper residential registration, she is forced to keep bribing officials if she plans to stay in Kazakhstan for longer than five days. However, unlike the Han-Chinese in the 1990s, the Kyrgyzstani entrepreneurs in Kazakhstan do not face the same kind of rigid exclusion and they continue to occupy a dominant position in bazaar trade. This is partly due to their stronger socio-cultural linkages in the Kazakhstani society as in comparison to the earlier Han-Chinese migrants. The Kyrgyzstani resilience in the bazaar economy is also a result of their thriving distribution networks and the mutual support they provide to each other. Azhar says, ‘Kyrgyz stick together when doing business; they give discounts and sell goods on commission to each other, but not to Russians or Kazakhs’.

Although Azhar moved to Almaty as a salaried vendor back in 1998, she still maintains close contacts to Kyrgyz and Dungan\textsuperscript{15} wholesale suppliers at the Dordoi Bazaar in Bishkek. Until recently, Azhar used to return to Bishkek to stock up with supplies at least once every two weeks and often more frequently. Wholesale prices for Chinese-made textiles purchased from her Dordoi-based business partners are negotiable. Azhar is able to get very good prices even on small quantities and sometimes to even get goods on credit.

Azhar’s supply base is the Kitai Bazaar, established in 1992 as one of the earliest sections of the Dordoi Bazaar in Bishkek, which now is surrounded by other sections with cosmopolitan names like Evropa (Europe), Kerben (caravan) and Alyaska. Its name – Kitai means China in Russian – refers to the foremost origin of traded commodities. At Kitai’s 34 parallel rows with each row consisting of more than 30 shipping containers, cheap and low-quality textiles, accessories and shoes are sold. The first two rows of the Kitai Bazaar are always busy with wholesale clients arriving from

\textsuperscript{15} Dungan is an ethnonym commonly used in the former Soviet Union since 1924 for Muslim Chinese groups that are known as Hui or huizu (回族) in China. Sizeable Dungan communities living in south-eastern Kazakhstan and northern Kyrgyzstan, claim ancestry to Hui refugees from Shaanxi and Gansu provinces, who fled the Qing Empire after turmoil in the late 19\textsuperscript{th} century (Gladney, 1996, Ding 2005, Allès 2005).
Kazakhstan, Russia, Uzbekistan and Tajikistan, who navigate their way through the narrow passageways between the shipping containers and Dordoi’s heavily used main thoroughfare. The Kitai Bazaar is dominated by Dungan and Kyrgyz traders and vendors. Han-Chinese merchants are hardly visible at all nowadays, as they tend to employ local vendors to run their shops. Bazaar entrepreneurs at Kitai source large amounts of cheaply produced textiles either from business partners in China or locally from Han-Chinese suppliers and warehouse owners at Dordoi.

Dungan and Han-Chinese wholesalers are often mentioned together in one breath. Some Dungans work for Han-Chinese as interpreters or shop assistants, presumably on the basis of cultural and linguistic affinity (Zhaparov 2009), while others have established their own wholesale and transport businesses. Unlike Han-Chinese traders who are often accused of aiming to take over the market by unfair means, Dungan traders are seen in a more positive light. Even many Kyrgyz consider them to be genuine Muslims, honest, loyal and hard-working. The Dungan community at Dordoi is often portrayed as socially cohesive, which can be confirmed by my own observations at the Kitai Bazaar in Bishkek.

Dungan merchants have profited tremendously from their role as facilitators for wholesale trade. Shortly after the collapse of the Soviet Union,
Dungans in Kyrgyzstan and Kazakhstan recovered and rebuilt contacts with Hui and Han-Chinese in China, either through (imagined) kinship ties or ethnic-religious affiliation (Laruelle and Peyrouse 2009). Rashid and his wife, for example, are influential Dungan traders in the business of wholesale trade with China. Their ancestors settled from Gansu to the vicinity of Bishkek (then Pishpek) in the late 1870s. Rashid, who claims to have been a pioneer of the ‘China trade’, remembers the time when 80 percent of his fellow traders at the Kitai Bazaar were Dungans. As he puts it:

Dungans were the first who established trade between Kyrgyzstan and China in the early 1990s, together with the Uyghurs, who later predominantly switched to the catering sector. Some of us had remote kinship ties with places in China where our ancestors originally came from. These social contacts were not maintained during the Soviet times and thus of little use for most of us. But we still gained from being able to communicate with the Chinese in their native language at least on a colloquial level and, thus, have a common language when negotiating deals.

Rashid has been renting a small 10-foot sales container at a comparatively central position in the bazaar for the past 15 years. He sells cheaply produced woman’s sportswear in bulk. While Rashid is in charge of supplies, his wife is usually running the sales point at the Kitai Bazaar, serving customers predominantly from Kazakhstan and Russia or retail sellers from Dordoi Bazaar itself. In the past, Rashid would travel to Urumqi every two to three months to stock up with merchandise. Nowadays, he prefers to make orders over the phone or by e-mail and payments via a mutually agreed transfer system with his Hui business partners in Urumqi. This saves him time and money. Goods are then shipped by the Hui-owned transport companies via Kashgar and the Torugart pass to Bishkek, which takes a maximum of 15 days.

Looking at the experiences of Marzhan, Azhar and Rashid, it is striking how patterns, orientations and directions of petty trade, as well as their

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16 During conversations with Khuzei Daurov, the head of Kazakhstan’s Association of Dungans who was also a former consultant of President Nazarbaev and a successful businessman, he spoke extensively on the role of historic and newly established ties of Dungan communities in Kazakhstan and Kyrgyzstan with Hui partners all over China and even as far afield as Malaysia (Personal communication with Daurov, October 9th, 2012).

17 In the Soviet times, and still to some degree nowadays, Dungans are renowned for running highly competitive agricultural and catering businesses both in northern Kyrgyzstan and parts of south-western Kazakhstan (Laruelle and Peyrouse 2009: 105-106).
strategies, have changed over the past two decades. Within both the commercial and the social structures of bazaars like Bolashak in Almaty and Kitai in Bishkek, a diversification is under way in terms of the ownership of and access to social as well as material resources. Nowadays, only a few of the traders at Bolashak and Kitai who started in the early and mid-1990s are still personally involved in selling goods at the bazaar stalls. Many have ventured from the retail business into the much more profitable wholesale trade. Wholesalers like Marzhan usually own or rent a number of containers at one or several bazaars and employ salaried vendors, cart-pushers and other staff.

Marzhan’s long-distance connections link her with Han-Chinese business partners in Beijing; while Rashid and Azhar’s strategies are being built on ‘neighbouring-at-a-distance’ on the basis of (imagined and actual) ethnic and linguistic affiliation. Their stories depict how bazaar entrepreneurs make flexible adaptations to the changing social conditions and charting new relations across borders. Geographical distance in all three cases does not exclude – and in a certain sense even fosters – socioeconomic closeness, whereas immediate vicinity often enhances competition among traders. Neighbouring in the borderlands of Kazakhstan, Kyrgyzstan and Xinjiang, in this case, can be productively ‘elastic’, and distance is not necessarily what stretches it. Both the entrepreneurial mobilities and the socio-spatial ties of bazaar traders extend beyond what one would conceive of as the immediate borderland. Everyday trade practices of Marzhan, Rashid and Azhar, thus, involve and are shaped by some sort of scalar variability or fluidity (Brenner 2001: 592). To put it in a sociospatial way: their neighbouring practice appears to be neither locally nor regionally framed or bounded, but tends to be rather translocal. This means neighbouring is constituted (and constantly re-constituted) by dynamically changing social relations across (often geographically distant) places (Freitag and von Oppen 2010). The following section seeks to elaborate on how schemes and outcomes of large-scale development interventions affect this specific (‘elastic’) configuration of neighbouring.

Modernizing Trade

In April 2012, when I met Rashid again, his supply chain was still running smoothly. However, he saw himself confronted with decreasing sales, especially with customers from Kazakhstan and Russia. Rashid and many fellow traders at the Dordoi Bazaar attributed this slump to the on-going
implementation of the Customs Union (CU) between Kazakhstan, Russia and Belarus. Customs regimes changed and control was tightened at the Kazakhstan-Kyrgyzstan and Kazakhstan-China borders, both of which are enforced as the CU’s external border since July 2011. This development posed a threat also to the distribution schemes of trade entrepreneurs like Azhar. She began to find it more and more tricky and time-consuming to import goods from Kyrgyzstan to Kazakhstan. Just a couple of weeks before I met Azhar the second time in April 2012, she started purchasing goods locally from one of the other wholesale bazaars of Barakholka, which apparently was a much less profitable endeavour.

The CU is, however, not the only top-down intervention that has affected established businesses. Top-down developmentalism, usually in the name of modernization, targets multiple scales ranging from the planned reconstruction of Almaty’s Barakholka bazaar agglomeration (Spector 2008) to new regulations for self-employment in the retail and wholesale sectors in Kazakhstan that came into force in early 2013. All of these interventions challenge the existing trade networks and strategies.

Such interventions, however, are not new. Deliberate and often forceful reform efforts from as far back as the late Qing and Tsarist periods more than a century ago had changed lives in significant ways in today’s borderlands of Kazakhstan, Kyrgyzstan and Xinjiang. More recently, since the late 1990s, China’s Great Western Development campaign has come to shape both rhetoric and infrastructure in Xinjiang. Accelerated development plans and the ‘new Silk Roads’ initiatives aim at fostering mutual exchange and cooperation with neighbouring states in order to boost domestic economic growth (Zhao 2001: 202). These development interventions often result in pronounced economic trans-border asymmetries, not least in trade balances. China has become by far the most important exporter of consumer goods to Kazakhstan and Kyrgyzstan (World Bank 2009, Kaminski and Raballand 2009). On the one hand, this has, just like the immigration of

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18 A tripartite CU between Kazakhstan, Russia and Belarus came into existence in January 2010. The long-term objective is to launch a Common Market referred to as Eurasian Economic Union (agreed upon by the three presidents in May 2014), using the example of the European Union as a role model.

19 Modernization is understood here according to the three-fold epistemological distinction of development by Thomas (2000). The meanings or senses Thomas attributes to development, can be subsumed roughly as long-term social change, as an ideology of change and as an intentional practice of change. Modernization, as a dominant notion of gradual top-down transformation or in the Chinese political-economic thought of termed path-dependent development (Luo 2009), needs to be explored in its interrelation with small trade primarily in the two latter meanings, put forward by Thomas.
Han-Chinese, provoked wide-spread and often exaggerated fears of Chinese expansion both in Kazakhstan (Sadovskaya 2012: 121-126) and in Kyrgyzstan (Laruelle and Peyrouse 2012: 109). On the other hand, traders in the region such as Rashid and Azhar benefited greatly from China’s rise and its accession to the World Trade Organization (WTO) in 2001. Due to the low customs duties and taxation for (and lack of control of) imports from China, wholesale prices of consumer goods at Bishkek’s Dordoi Bazaar are still much lower than in neighbouring Kazakhstan, giving it a competitive edge in the business of re-exporting Chinese consumer goods to markets across Eurasia.

Trade statistics in both Kyrgyzstan and Kazakhstan hide the real dimensions of imports from China. Only the official trade revenue between China and Kazakhstan as reported by Kazakhstani statistics has increased more than thirty-fold from US$400 million in 1992 to US$12.3 billion in 2008 (Alff and Schmidt 2011: 74). According to Chinese statistics, exports to Kazakhstan in 2008 were more than twice as high as imports from China reported by Kazakhstani sources (Syroezhkin 2009: 231). This is clearly due to the fact that trans-border trade generally evades official Customs payments and thus goes unregistered. Imports of consumer goods from China to Kyrgyzstan are as well severely underreported in the official Customs statistics. Their estimated value was US$3 billion in 2008 – ten times more than the officially reported figure (Kaminski and Raballand 2009, USAID 2010).

Partly as a response to these imbalances, Kazakhstan’s leadership promoted their own modernization agenda. Official documents and public announcements by President Nursultan Nazarbaev, especially since the financial crisis that hit Kazakhstan’s fast-growing economy in 2007 and 2008, have called for an increase in Kazakhstan’s economic competitiveness, first and foremost, by boosting domestic industrial production

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20 Kyrgyzstan became a WTO member in 1998.
21 These favourable conditions have also contributed to the upcoming sewing industry in northern Kyrgyzstan. Since the start of the millennium, a light industry of up to 5,000 small and medium-sized sewing manufactories has been set up in Bishkek due to the cheap garment imports from China, the relatively low cost of manpower, and the subsidized electricity. In 2010, between 90,000 and 150,000 people were employed in this sector of the Kyrgyzstani economy (SIAR Research and consulting 2011).
22 Future projections on bilateral trade turnover with Kazakhstan for 2015 go as high as US$40 billion (People’s Daily 2011b).
23 The modernization discourse in Kazakhstan takes up notions both of the former Soviet paradigm of progress and rather novel expressions of competitiveness and innovation (see e.g. Ministry for Communication and Information 2011).
and technological innovation (see e.g. Ministry for Communication and Information 2011). The trade sector also ranks high on Kazakhstan’s modernization agenda (Ministry for Economic Development and Trade 2010). The country’s geographical position at an important Eurasian crossroads is advocated in large-scale projects aimed at increasing the transit of goods across its territory by road and rail.

The first stage of the bilaterally planned International Centre for Border Cooperation (ICBC) at the Chinese-Kazakhstani crossing point of Khorgos, was opened to the public in April 2012. ICBC, regarded as a flagship project to further facilitate trade of all kinds, occupies a total area of 528 hectares, divided between both states. Under this initiative, a special regime is instituted to facilitate visa-free entry for both SCO and third-country passport holders for a duration of up to 30 days, and free movement of people through special cross-border corridors within the zone. Potentially relevant for small trade entrepreneurs, a special bilateral customs and taxation regulation was introduced for ICBC declaring a duty-free regime for goods not exceeding RMB 8,000 or US$1,230 in value per person per day (People’s Daily 2011a). Kazakhstan’s section of ICBC is designed to include a centre for small-scale trade, seven modern hotels with a total capacity to accommodate up to 5,000 people, logistic terminals, and many other facilities. By 2035 the Kazakhstani side of ICBC shall be upgraded to the status of a special economic zone under the name ‘Eastern Gates’. With the Chinese government’s commitment to revive trade, special economic zones in the Chinese part of Khorgos and in Kashgar are declared to boost economic exchange and interaction (People’s Daily 2011b). Despite the wide-spread fear of Chinese economic expansion and the implementation of the CU, the former secretary-general of SCO, Muratbek Imanaliev, like other top officials, praised ICBC’s potential:

Considering the strategic location of the centre [...] one could state that the foundation of ICBC Khorgos is an important project in the non-commodity sector of the economy. It is able to provide a powerful stimulus to the development of a whole complex of customs, transport, trade and tourism infrastructure of the region. (People’s Daily 2011b).

Quite in contrast to the hubris surrounding ICBC, Bolashak traders I talked to remained sceptical of its potential benefit for their own supply chains. They stated that they would rather keep relying on their existing networks. Additionally, as Marzhan emphasized, ICBC was simply too far away from the manufacturing centres in China to be a compelling option for making
purchases. Contrary to the situation in the early 1990s, the immediate borderlands were no longer the most important arenas for skilful neighbouring – at least for wholesale traders like her. One of the main factors for Marzhan’s success was the carefully maintained relations with her partners in Beijing and with her representative in Urumqi being in charge of communications with the former to organize supplies and delivery. The promised rather than delivered economic incentives by large-scale state-led schemes, on the contrary, are nowadays perceived to play only a minor role in activities by many traders.

State-led development efforts and their outcomes are nevertheless not to be looked at separately from the agency of bazaar entrepreneurs like Marzhan, Rashid or Azhar. The following section points out that the discourse around and dealing with large-scale state interventions, in fact, contributes to changing societal representations and the renegotiation of trade practice at bazaars. On the one hand, bazaar trade nowadays is often said to ensure the access to consumption to broader circles of the society against counterproductive modernization efforts of the state authorities. On the other, top-down measures, despite local traders’ scepticism, increase the relevance of immediate borderland communities in the exchange processes, particularly in terms of the ongoing creation of the CU. The renewed involvement of immediate border communities adds another dimension to the ‘art of neighbouring’, namely the processes in which borderlanders broker or mediate the shipment of goods across the border. These processes of constant (re-)negotiation and re-scaling of social relations illustrate the considerable impact of trader strategies on the contradictory and highly unpredictable outcomes of state-led development efforts, as well as the gains (or losses) derived from this uncertainty. The capacity of bazaar traders to employ a particular set of social skills is what ensures their economic survival and successful neighbouring amidst large-scale interventions.

**Strengthening Trust, Acting Morally**

Marzhan’s story is a testimony to the emergent class of self-employed wholesale traders who have benefited from economic growth and infrastructural improvements in (and beyond) western China. These traders are dependent on favourable and flexible relations across the border. The timely and financially tenable production and the delivery of goods, therefore, depend closely on trustworthy personal networks between
traders, producers, transport providers, Customs officials and customers. It is this very practice of navigating constraints and opportunities by way of constantly investing in social relations and networks, which can reach as far as Beijing or Guangzhou that reveals the ‘art of neighbouring’ in action. These networks have often been built over years (if not decades) through close cooperation; they therefore entail essential qualities and values, with trust being particularly important.

Both Marzhan and her business partner Adil constantly stress the paramount importance of trust, which is both crucial in critical situations and vital for everyday business. As Adil puts it: ‘We are exclusive distributors of our products in Central Asia [...] We have signed a contract with our partners in Beijing. They agreed to keep our seasonal collections under tight wraps and not sell it to competitors from Central Asia. So far, they have kept their word’. For Adil, the fact of ‘not cheating and not being cheated’ is among the most important principles in building trust. According to Marzhan, building trust with Chinese business partners is first and foremost a matter of intercultural sensitivity:

I have several friends in this row of stalls working with China, some of them successfully, others not really. But I can confidently say that no one is able to speak with the Chinese like I do. And this is not because I am successful in business but because communication with Chinese follows certain rules, which not everyone understands.

Reflecting on their success, Adil and Marzhan highlight the trust-generating effect of working together with confidence over a long period of time, and through periods of crisis, to their mutual benefit. On one occasion, while praising her business relations, Marzhan explains that during periods of closed borders her partners in Beijing even sent goods by plane to speed things up and secure her urgent supplies. In this particular situation, she mentions the notion of guanxi, which is in a certain sense a Chinese counterpart of the Russian notion of blat. Since the end of the Soviet Union the relevance of blat in economic life is often believed by many traders to have become restricted to close social bonds and replaced by a stronger impact of monetary aspects beyond that. Yet, the influence of guanxi, as Mayfair Yang argues in her seminal work (Yang 1994: 2002), continues to shape business

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24. Guanxi such as blat refers to interpersonal exchange systems based on social ties that ensure the reciprocal access to certain resources (Ledeneva 1998).
interactions and relations since China’s opening-up. It is important to note that Yang suggests an increasing role of guanxi in strategies ‘to locate and maintain supply sources for new commercial ventures (Yang 2002: 463). In trans-border bazaar trade, guanxi has taken on a translocal form and become an essential element in the ‘art of neighbouring’ relevant for business.

Following Marzhan and Adil, the sensitivity to social properties, honesty, and skills in intercultural communication help build trustful relations. Together with sufficient financial means, they are critical for a successful wholesale business that relies so much on a smooth, timely and cost-effective supply chain. It is here that the monetary extensions of blat and guanxi – bribe (xinghui 行賄, vzyatka) – come into play. In Marzhan’s case, deliveries from Beijing to Almaty took somewhere between five days and more than a month in autumn 2011, depending on the situation at the Khorgos crossing. Though reluctant to talk about the details, Marzhan says that she is not paying official Customs fees for her shipments. Marzhan blames the inevitable corruption and the lengthy delays at the Customs when goods are properly tariffed for this practice. Instead of choosing the ‘formal’ way, which Marzhan considers a waste of time that could easily ruin her business, she relies on the services of an experienced local Kazakh ‘Customs broker’ from the Chinese part of Khorgos, who is well acquainted with Customs officials on both sides. He successfully manages, so far almost without loss, the clandestine nightly transport of Marzhan’s goods in the stowage of overland busses. The drawback of this method is that Marzhan’s goods are considered contraband in Kazakhstan. Thus the threat of confiscation always looms large, even after the merchandise has safely arrived in Almaty. This, in turn, requires more bribes to more officials. Taken all costs into account, Marzhan and Adil earn a net profit of just about 10 to 20 percent on the final wholesale price, which they negotiate individually with their customers. This margin,

25 Granzow, too, discusses the role of guanxi in Chinese entrepreneurship as being either temporary or enduring aspects of China’s modernization (Granzow 1995: 191-194).
26 Restraints to and interruption of cross-border trade occur frequently and can be caused by different factors and events. Yet most predictable are closures before and after public holidays in China, self-evidently, less so during social unrest in Xinjiang or power shifts between officials for the distribution of resources in Kazakhstan. In early May 2011 Kazakhstan’s mass media reported that Customs and security service officials at the Chinese-Kazakhstani crossing points of Khorgos and Kalzhat were sacked by special police forces. In the aftermath of these events high-ranking officials were convicted of being responsible for the organization of large-scale contrabandism and money-laundering. Huge amounts of goods were confiscated and the border crossings remained closed during the busy summer months.
however, enables Marzhan and Adil to be part of Almaty’s upper-middle class. They drive a Lexus sedan and own several apartments in different parts of Almaty.

Given the profits of her wholesale business and the essential skills and resources, Marzhan contends that her trade business has achieved a new stage of proficiency:

How many years I have worked in this sphere of business? I know every detail – for example, how to identify trends and how to sell a product in demand. [...] I travel four, five times to Urumqi and Beijing each year. I go alone so that nobody disturbs me. I always think on my own and choose the products needed. In every respect, this is a creative type of work, and not just a profane buy-and-sell business.

During conversations with other wholesale entrepreneurs in Kazakhstan and Kyrgyzstan, I heard similar stories. Former ‘shuttle traders’ often highlight their contributions to the ongoing formation of sophisticated, if still widely considered informal or ‘unorganized’ trade. Zhibek Azhybaeva, the deputy head of the Kazakhstan Association of Bazaars in Almaty, states in an interview:

Bazaars, in fact, have developed into quintessential incubators for business development. In particular, at bazaars people find out whether [trade] is an attractive type of business for them, or if one has come there coincidently. [...] those, who worked at the bazaar for two years, will continue to do so and increase their business. The one, who could not withstand the challenge, leaves and searches for another way of earning his subsistence.

The entrepreneurial spirit of self-reliance and ‘being one’s own boss’ are highly praised among those who succeed. Gradually, the negative stereotypes against bazaar trade and its allegedly chaotic, unproductive, and low-class nature are being challenged. In addition, bazaar entrepreneurs cast wholesale trade as an altogether different affair than preceding forms of ad hoc trade practice. This styling of wholesale trade as a sophisticated art of doing business is accompanied by the traders’ rise in social status and authority. Improvement in social representations of trade entrepreneurialism and the recognition of its significance in terms of welfare and employment in general enforce claims of morality, which could be brought in line with the notion of a ‘moral economy’. This concept was
developed by E.P. Thompson (1971) and James Scott (1976) in their seminal works on eighteenth-century England and twentieth-century Southeast Asia. In Thompson's conception the term refers ‘to confrontations in the market-place over access (or entitlement) to “necessities” – essential food’ (Thompson 1991: 337-338). He describes the beliefs, usages, forms, and deep emotions that surround ‘profiteering’ and ‘the marketing of food in times of dearth (Thompson 1991: 337-338 in Edelman 2005: 331). Scott confines ‘moral economy’ rather to questions of reciprocity between ruling elites and peasants in terms of ‘what states and elites may claim’ or commodify, and ‘what they must, in turn, provide in times of necessity’ (in Edelman 2005: 332).

The most important aspect of morality in bazaar trade concerns the vendor-customer relationship, or what Thompson calls ‘confrontations in the market-place’. More specifically, what is at stake is the universal access to affordable goods that bazaars, unlike shopping malls, are able to provide to the low-income population. Marzhan argues:

Our target groups are lower middle-class or average consumers. For them the price is what counts. It’s a matter of fact that most of them are not from Almaty, where people are far better off, but they come from regional centres in provincial Kazakhstan where incomes are considerably lower. Therefore, we cannot continually raise our prices.

The other central aspect of morality in bazaar trade, closer to Scott, is the ‘right to employment’. While skilled employment, particularly in the state-run sectors, is still much sought after, access to such positions is restricted to professionals and therefore it is difficult to achieve. From the perspective of most of the traders I spoke to both at the Bolashak and Kitai Bazaars, trade absorbs skilled professionals, among them university graduates, who would not be able to find appropriate, equally lucrative jobs elsewhere, in particular in the state-budgeted sector. Bazaar traders employing additional staff thus conceive themselves in a position of taking over responsibilities of state institutions, and by so doing, challenge the very authority and accountability of the state. Female traders like Marzhan, who form the majority of traders even in the wholesale segment, play an important role in this process. This ties in with Bruno's observations of the gendered nature of post-Soviet trade, both in terms of women being pushed into the bazaar economy in absence of employment alternatives since the end of socialism, as well as being often considered more trustworthy and socially responsible entrepreneurs than their male counterparts (Bruno 1997).
Renegotiating Exchange

The ongoing large-scale interventions in the immediate borderlands are increasingly perceived as a threat to these socially conducive functions of bazaar trade in public opinions. This is particularly true in the case of the CU between Russia, Kazakhstan and Belarus. The CU is envisioned to generate a competitive advantage for domestic production – by reinforcing its outer borders and preventing ‘black market imports’ from China.27

For my interlocutors at Barakholka in Almaty, the new border regime imposed by the CU has been harshly criticized as a hasty step that does not adequately take the realities on the ground into account. In the words of one trader who concisely sums it up: ‘The CU predominantly aims at protecting emerging national production from cheap imports from China. But people are not ready for that’. Another trader, arguing from a critical realist point of view, put it like this:

A country like China, it can export and export and export. And there is no need of reinventing the wheel here and rebuilding domestic industrial production, for sure. [...] Of course we should be happy to have our national producers, but if you can have it cheaper from China... It comes out like that, even with all transport costs.

The implementations of the CU and the tighter regulations that come with it have an even more pronounced effect on Bishkek’s Dordoi Bazaar. ‘No Kazakhstan means no trade’ – such was the cynical formula Rashid used to sum the situation up in a nutshell. He thereby points to his full warehouse container and the absence of his long-standing customers, who used to come here to stock up regularly. Many Dordoi traders like Rashid are forced to switch from wholesale to a combination of wholesale and retail trade with domestic customers from Kyrgyzstan – a much less lucrative business. Some traders and transport providers, however, quickly capitalize on the new rules. Since summer 2011, a new form of ad-hoc ‘shuttle trade’ with all kinds of Chinese-made consumer goods from the Dordoi Bazaar has flourished at several Kyrgyzstan-Kazakhstan border crossings. Korday, the

27 A recent report by the German development agency GIZ argues that: ‘The possible guess [if Kyrgyzstan finally joined the CU] might be that the centre of trade will be relocated from Kyrgyzstani Dordoi, that will lose its wholesale traders, to Kazakhstan’s Khorgos’ (GIZ 2011: 34). The reasons for this, according to the report, are visa-free travel and preferential tariffs at the ICBC in Khorgos. In other words, if the ICBC can live up to its promise, the existing ‘tax-free’ contraband channels would face competition from an equally tax-free legal one.
main crossing between Bishkek and Almaty was at times almost impassable. Azhar outlined what was going on:

At Dordoi, additional mechanical pressing facilities were installed to bale enormous packs of textiles into transportable cubes. [...] At Korday, too, a new category of service appeared: the shuttle porter. Hundreds of local people are employed by traders for some US$20 a day to carry bales of merchandise across, sometimes several times a day, back and forth, one after another. An enormous crowd queues up in the heat every day, pushing each other around [...] The Kazakhstani custom officers are just preying on them, taking bribes from everyone or randomly confiscating the goods.

This novel type of shuttle trade, specially confined to the immediate border crossing, is facilitated by the CU’s legislation that exempts personal belongings of up to 50 kilograms and US$1,500 from paying duty. In fact, customs officials in charge of enforcing these regulations and fighting ‘contraband’ can personally profit from this situation by taking bribes in rather blatant ways. For Azhar, all of this means an additional hurdle. The idea of sourcing goods directly from Xinjiang or other parts of China and scaling her business up to the large retail or wholesale level does not appeal to her; nor could she financially afford or have the necessary connections to do so. Trading in larger quantities of goods requires capital and frequent journeys to Urumqi or, even better, to coastal China. Azhar also emphasizes that she is not be able to withstand the fierce competition in wholesale trade. While the scenario of being restricted in her opportunities seems to provide a rather negative outlook, this could change again with the accession of Kyrgyzstan to the CU, which is a matter of intensive debate in Kyrgyzstan (Vecherny Bishkek 2011).28

All of this shows that the small-scale trade flows across the borders between Kazakhstan, Kyrgyzstan and Xinjiang challenge ‘official’ border regimes in various ways. Borders are permeable, small trade connections are not static, and the situation is in no way exclusively regulated by the law. It is rather, as Parham (2009) notes in the context of Kyrgyzstan-China and Tajikistan-China borderlands, contextually (re-)negotiated by the actors involved, including Customs officials, traders, and the state’s elites with their development agendas. Given the legal loopholes and latent corruption at border crossings, notwithstanding powerful measures of state authorities,

28 Kyrgyzstan has become a member of the Eurasian Economic Union, of which the CU is a central component, in May 2015. The economic effects of this accession for Dordoi’s wholesale and retail traders and for the Kyrgyzstani economy in general remain yet to be fully explored.
there is some limited space for bazaar entrepreneurs to manoeuver within networks of distribution and supply.

**Conclusion**

This chapter seeks to provide in-depth and multilevel observations of ‘neighbouring’ in the world of trans-border trade in the border zones of Kazakhstan, Kyrgyzstan and Xinjiang. The cases of traders at the Bolashak and Kitai Bazaars in Almaty and Bishkek as nodes of the larger wholesale and retail networks show that such an approach matters for the analysis not only of mere supply and distribution chains, but also of more general social transformations. This process of change interrelates with the capability of small traders to position themselves favourably and anticipate future change (Alff, 2014).

First and foremost, trade patterns are bound to socio-economic networks across the borderlands that can, but not necessarily do, generate spatial and social mobility. Marzhan’s close ties to partners in coastal China on the one hand, and ethnic ties as emphasized by Azhar and Rashid on the other hand, are often mobilized as vital resources. Along with financial capital, this social capital is considered a central precondition for entrepreneurial success. From the perspective of bazaar entrepreneurs, ‘the art of neighbouring’ implies a good amount of resourcefulness that is necessary to make use of China’s rise. Trust, socio-cultural sensitivity, social responsibility, and the morality regarding access to consumption that is increasingly accepted in the wider society, are all part of the story. As illustrated by Marzhan and Adil’s case of wholesale business, rather positive representations of trans-border trade have started replacing the still widespread and deeply-rooted public perceptions of trade as unsophisticated and immoral labour. This change in attitude and significant economic success of large wholesale business contributes to a certain upward social mobility. However, the constant negotiation of power asymmetries between wholesale and retail entrepreneurs and state authorities continues to imply vulnerability and risk.

This uncertainty is, on the one hand, amplified by the outcomes of modernization efforts that dominate the public discourse. These outcomes condition and enact network-based trade patterns. Economic modernization in Xinjiang has opened up channels for supply with cheap consumer goods. Bazaar entrepreneurs in Almaty and Bishkek also constantly change their supply strategies to adapt to new and changing rules, particularly at border crossings and often in ways that are contradictory to the intended goals of
state policies. Thus, in accordance with Itty Abraham’s observation, ‘the borderland is a zone where privately produced social order and formal political rules are in a constant state of uncertainty and conflict (Abraham 2006: 4).

Linking the macro-level of modernization schemes with the micro-level of supply and distribution strategies, it becomes clear that bazaar entrepreneurs, on the one hand, are forced to adapt to changing regulations and their implementation to a certain degree, both locally and translocally. However, socio-economic networks are also utilized in evasion of official rules to ensure constant supply and, thereby, to minimize risks. Marzhan’s employment of a broker in Khorgos can be predominantly characterized as reactive. On the other hand, supply and delivery patterns have turned out to be rather proactive. Bazaar entrepreneurs, for example, find loopholes to avoid restrictions imposed on them at borders. These strategies, adopted to bypass rules, are however far from being universally applicable and can lead to new barriers for commercial mobility and network-related flows, as Azhar’s case of becoming restricted to local supplies illustrates.

With regard to the neighbouring situation, the chapter has shown that the locus of neighbouring in the last two decades has shifted from the immediate borderlands (Baud and van Schendel 1997: 222) to urban nodes of wholesale trade, and as of late, partly back to the border. This shows the scalar elasticity or fluidity of the neighbouring situation. Neighbouring has become qualitatively different from the early 1990s, and it operates across long distances due to socio-political change. With these dynamics, a relatively broad, relational definition of borderlands, orientated at nodes in social networks between hub bazaars and distribution centres in Almaty, Bishkek and across China, seems necessary. Moreover, it must be also stressed that networks can reach far beyond the immediate borderlands and thus require a geographically unbounded approach beyond the concept of neighbouring in proximity. I agree with Parham that it is necessary to remain wary of concepts of static or bounded borderlands and attention has to be paid to how they are experienced and negotiated in everyday life in a myriad of ways and scopes (Parham 2009: 16). Going beyond the much-debated conceptualization of borders as delineated structures to enforce state power to a given state territory, borderlands are to be understood as contextually changing (and changeable) social constructs. They are framed and transcended by power relations and negotiation processes among actors involved. Thus, ‘the art of neighbouring’ in China’s borderlands with Kazakhstan and Kyrgyzstan implies unexpected alliances and confrontations across scales and places. It requires resistance and adaptability and has considerable effects on individual livelihoods as well as local and state economies.