ABSTRACT: The end of the cold war witnessed the emergence of a commercial web sprawling from the Xinjiang Uighur Autonomous Region in western China and extending into Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan), Pakistan, and Russia. Running parallel to the state-managed exchange in hydrocarbons, raw materials, technology, and infrastructure, this new Eurasian trade had an informal component as everyday consumer items manufactured in China were imported into neighboring countries, bypassing formal regulatory mechanisms. This inter-Asian trade began as shuttle trading by itinerant merchants for local markets; by the mid 1990s, shuttle trading was overshadowed by large-scale export for national markets in neighboring countries without losing its informal character. This informality extending across national boundaries defined the post-cold war commerce in innermost Asia; at the same time, it also signaled a return to pre-cold war trading structures. Moving away from the “retreat of the state” thesis that found traction following the cold war, the author attributes informality in this inter-Asian trade to three factors: (1) a restructuring of state power where informal trade was a new comparative advantage sought in an evolving geopolitical climate; (2) the actors in this inter-Asian trade—party and regional officials in China, along with traders and intermediaries—who found and exercised agency through this exchange; and (3) a chain of inter-locking, commercial macro-regions, which are economically sustainable and which transcended international boundaries. Working in conjunction, these factors constitute a dynamic inter-Asian trade and challenge static state imaginaries of a “New Silk Road” or “Eurasian Continental Bridge.”
The landlocked Xinjiang Uighur Autonomous Region (Xinjiang weiwu’er zizhiqu; XUAR) constitutes a sixth of China’s landmass and borders eight of China’s fourteen neighbors: Afghanistan, India, Kazakhstan, Kyrgyzstan, Mongolia, Pakistan, Russia, and Tajikistan. Xinjiang’s sprawling location adjacent to Central and South Asia and the availability of inexpensive land transport makes Xinjiang accessible to merchants from neighboring countries. Since the collapse of the Soviet Union, merchants from Russia, the neighboring Central Asian republics—Kazakhstan, Kyrgyzstan, and Tajikistan—as well as traders from Pakistan have been visiting this landlocked frontier region of China, transforming the remote hinterland into a vibrant commercial hub in the heart of innermost Asia.

Foreign merchants began arriving in Xinjiang during the twilight of the cold war. Following the independence of the Central Asian republics between August and December 1991, the numbers of “tourist purchasers” visiting China—as they were then frequently described in China—increased rapidly. During the early 1990s, foreign traders in Xinjiang were mostly itinerant shuttle traders individually purchasing goods worth approximately a few hundred dollars that would be sold in local markets in neighboring countries. As the decade progressed, merchants from neighboring countries representing larger commercial interests began building business ties in Xinjiang. These large-scale businessmen—who imported merchandise for national markets in Central Asia, Russia, Pakistan and sometimes India—benefited from favorable trade policies extended by local authorities in Xinjiang who were acting under directives from Beijing. Twenty years of promoting border trade by the Chinese state has today resulted in an extensive commercial web that encompasses the full gamut of commerce from the itinerant to the corporate, the illicit to the regulated, and the informal to the formal. This sprawling mercantile web spans the five Central Asian republics, Russia, India, and Pakistan with goods sometimes being re-exported from one country to another (for example, Kyrgyzstan to Kazakhstan, Uzbekistan, and Russia; Pakistan to India).

This inter-Asian trade is being mapped where historically ever-shifting trade routes spiraled out of Central Asia weaving Eurasia in a web of commerce. Euphorically described as the New Silk Road (xin Silu) and the Eurasian Continental Bridge (Yaou dalu qiao) in Chinese and Western political and policy-making circles following the cold war,¹ such terms suggest a regulated, structural interconnectivity between Eurasian states with China usually playing a pivotal role due to its location, economic clout, insatiable thirst for energy, and increasing geopolitical leverage. But this view confines inter-Asian mercantilism out of Xinjiang to regulated exchange in natural resources (including hydrocarbons), industrial goods, telecommunications, and infrastructure development.

¹. For a recent example, consider U.S. Secretary of State Hillary Clinton’s comments on 12 June 2012 at the Tokyo Conference on Afghanistan. Clinton spoke of a “New Silk Road” that would economically integrate Afghanistan with Central and South Asia, noting that foreign investment, jobs, and markets offer a credible alternative to insurgency. See Clinton 2012. Secretary Clinton has used the “New Silk Road” metaphor in 2011 in the same context: economically integrating Afghanistan with regional economies through state initiatives.
The Silk Road imaginary is a powerful one, invoking an integrated Eurasia that existed prior to European hegemony woven together through commercial and cultural exchange. In the post–cold war era the Silk Road imaginary seeks to render a geopolitical imagination of Eurasia outside the orbit of Western imperialism. China, of course, plays a pivotal role in this imaginary both because of popular perceptions of its central role in the world economy through much of recorded history and as a result of its increasing economic might; in this imaginary, most if not all the proverbial roads lead to China. But the appropriation of the Silk Road imaginary by the state since the cold war has two shortcomings. First, state imaginaries of the Silk Road are hegemonic ones that posit the state as the regulator of trade, and second, they ignore the informal economy that runs parallel to the formal economy. I contest the state-generated imaginary of the New Silk Road and the Eurasian Continental Bridge by bringing to the center of my inquiry commercial activities that are considered peripheral by state narratives: itinerant trading and informal trade. It is this informal component of Xinjiang’s border trade that makes today’s inter-Asian trade unique and which provides an insightful window into state structures and the negotiation of those structures following the cold war. Let me explain this assertion.

First, itinerant trading, or shuttle trading, had emerged in different parts of the world at the end of the twentieth century; besides China, other countries such as India, Thailand, Turkey, and the United Arab Emirates emerged as popular hubs for shuttle traders. Many shuttle traders were from former communist states (including the successor states of the Soviet Union) who took it up in order to make ends meet in dire economic times; in the early to mid 1990s, scores of professionals and highly trained people were compelled to join the ranks of shuttle traders. Others, such as those from North Africa, took to shuttle trading to flee political unrest and economic instability at home. But by the early 2000s, shuttle trading was in decline. This was partly a result of improving economic conditions across the former communist states, partly because of restricted mobility in the post–9/11 world, and partly through the gradual absorption of informal mercantilism into the formal sector.

Informal mercantilism out of Xinjiang only partly followed this trend. While shuttle trading in Xinjiang did decline in the early 2000s, the informal economy continued to grow. This distinction between shuttle trade and the informal economy assumes that the latter is possible with modalities other than shuttle trading, an assumption that is validated in the case of Xinjiang. I define informal trade as licit economic activity evading state regulatory frameworks. As the sociologist Saskia Sassen puts it,

[Informal work] encompasses work that is basically licit but takes place outside the regulatory apparatus…. In other words, this is work that could have been done in the formal economy, unlike the criminal activities…. Government regulations play a particularly important role in the rise of in-
formal production because of the costs that they impose on formal business through their various licensing fees, taxes and restrictions.  

Later, I discuss why the state tolerates the informal economy; here note only that in trade from Xinjiang, the regulatory framework is bypassed by undervaluing the value of exports to the neighboring countries. In transactions carried out by private merchants—whether shuttle traders or larger businessmen—goods are frequently undervalued to avoid tariff payments, in addition to which the opaqueness of regulations leads to the evasion of tariff structures. Hence, official trade figures do not represent the actual volume of exchange from Xinjiang, and accurately assessing the size of the informal economy is difficult. According to an early estimate by an expert on border trade at the Chinese Academy of Social Sciences, informal trade between China and Central Asia was as large as the formal economy. The actual size of the informal economy does not concern us here. Given that Sino-Central Asian trade has grown at an average of 10 percent annually, we may safely surmise that the informal economy is growing at the same rate and constitutes a substantial portion of the overall trade from Xinjiang.

This informal trade that Central Asian and Pakistani merchants have been practicing on the innermost frontiers of Asia is my point of departure. Relocating informal trade to the analytical center provides a critical framework since the bypassing of state regulations forces us to consider why alternate practices have been sustained for over two decades. A range of actors and variables determines the informal border trade out of Xinjiang: political elite, regional bureaucrats and customs officials, traders from half a dozen countries, supply, demand and pricing, transport and labor. While these are all independent components within the inter-Asian trade stemming from Xinjiang today, viewed simultaneously they are the components of a vast commercial web, a post–cold war spatial imaginary of intra-Eurasian trade that is either ignored by or subsumed within state-imaginaries of the New Silk Road. Insofar as the informal intra-Eurasian trade today extends across international boundaries to create a multitude of interlocking commercially viable macro-regions, there is resonance with historic commercial structures that sprawled across Eurasia prior to the restructuring of inter-Asian commerce through encounters with European imperialism.

This article is structured in three parts. Part 1 explores the role of the state: Does trade bypassing formal regulation challenge state authority? Does this signify a restructuring of the state? Given that the modern state is expected to regulate trade—and given that regulations are in place in China and neighboring countries connected by this inter-Asian trade—an openly thriving informal economy mandates deliberation about the state. Using Sino–Central Asian trade in the 1990s as a frame of reference, I suggest that the presence of an infor-
mal commercial component in the Xinjiang-centered inter-Asian trade does not mark a weakness of state power, but a restructuring of power after the cold war as the state builds new comparative advantage in a new geopolitical framework.

Part 2 inquires about the actors and agency in this inter-Asian trade: What was the role of China’s political elite? Local officials? How does border trade build transnational agency in China and beyond China? Finally building on the discussion in the first two parts, in Part 3, I suggest that instead of a unified Silk Road, often depicted on maps as lines bolting across Eurasia, our frame of reference ought to be a multitude of symbiotic macro-regions spread out across central Eurasia but overlapping in Xinjiang (this restructuring was possible after the cold war by changes discussed in parts 1 and 2). Each of these macro-regions is a sustainable commercial orbit; many transcend international borders in the post–cold war era. Using the example of a recent disaster in northern Pakistan that had a disruptive effect on Pakistan’s trade with China, I argue that today’s inter-Asian trade out of Xinjiang is continuously evolving as a result of the multiple variables at play. I posit that insofar as a continuous state of evolution is a defining characteristic of Xinjiang’s inter-Asian trade today, it shares strong similarities with historic trade in Eurasia especially as to the binding logic of commerce that is sustainable in an informal, transnational, and commercial way.

The Conventional Narrative: Centering the State

A partial explanation for the emergence of Xinjiang as a commercial hub after 1991 is its accessibility from neighboring countries, the availability of inexpensive Chinese-manufactured products, and demand for these goods in neighboring states at an attractive price point. But this halfway view ignores state-market dynamics that have historically been pivotal in either culling fron-
tier trade, most recently under the socialist command economy, or allowing it to flourish as it does today. Hence we begin with the assumption that the state plays a central role in the rise and continuation of informal inter-Asian mercantilism. An inquiry into markets, merchants and informal trade in the greater Central Asian region must begin with the state. This section focuses on the informal Xinjiang trade in the years leading up to and immediately following the independence of the Central Asian republics, when informal trade amounted to shuttle trading by itinerant merchants. My frame of reference in this section is Xinjiang’s trade with Central Asia following the cold war.

The state as a global geopolitical entity was said to have undergone a transformation following the cold war, although there is considerable variation in popular and scholarly opinion on what this transformation amounted to. At a popular level, the crumbling of the Soviet empire and the “victory” of the United States in the cold war gave credence to the so-called end of history thesis, and with it the idea that the newly unleashed forces of globalization were dividing the world between winners and losers. At one end of the ideological spectrum, neoliberal pundit Robert Kaplan saw large swathes of the Global South overrun by anarchy, lawlessness, and resource scarcity. This was said to have resulted from the loss of superpower patronage, which had allegedly kept the global order in check during the cold war. Kaplan’s was an extreme view void of a historical framework in which to situate the politics of resource scarcity. But underlying his argument was a notion that would become popular in policy circles in the West, namely, that changes across large parts of the South resulted in the erosion of traditional state responsibilities towards the citizenry and the emergence of transnational, often criminal, networks moving effortlessly across international borders. Per this line of argumentation, across large parts of the world, the power of the state had weakened after the cold war, replaced by an anarchic transnationality that was more powerful than the state.

Within the academy, an oft-used rubric was the retreat of the state (as opposed to the weakness of the state) in the face of new mobility of transnational finance, capital flight, increasing wealth of multinational corporations, and the growing power of the Breton Woods institutions. These changes, along with accompanying polarizations of wealth led Muto Ichiyo to suggest in 1993 that “statehood as the strongest and most viable system of the modern era is approaching the end of its historic lifespan.” Soon afterwards, in an influential book, The Retreat of the State, Susan Strange wrote that the retreat of state power resulted from the increasing power of markets. Strange argued that

10. See Ichiyo 1993. In the People’s Republic the 1990s was seen as a decade of retreating state power from the public sector, frequently described as the smashing of the iron rice bowl. Although not under pressure from international regulatory institutions, divestment from the public sector was seen to lessen the fiscal liability of the state and encourage private enterprise. This retreating state power was witnessed in different sectors in China in the 1990s: in the educational sector, in the privatization of social welfare, and in the selling off of state-owned enterprises (SOEs) in the mid to late 1990s. See Huang 2008, 48–49; Mok 1997; Wong 1994.
world market forces had undergone a process of integration in the postwar period. This integration came about as a result of private finance, industry, and trade, and had less to do with decisions taken by governments. As a result, world markets grew more powerful than the state to which they would otherwise expect to be beholden. Strange conceptualized the decline of state power vis-à-vis rising market forces, not the collapse of the Westphalian state-system. In fact, as Strange acknowledges, the visibility of the state had actually increased in recent years and regulatory institutions had also been on the rise. In her analysis this visibility comes about as a result of the state providing functions that markets require: security, fiscal stability, and the enforcement of law. Writing at a similar moment in time, Michael Mann also argued for the centrality of the contemporary state, noting that states continue to regulate daily life.

State power and possible fault lines in its authority were a key consideration for the Chinese as they developed relations with the independent Central Asian republics. When the Central Asian states achieved independence they were economically impoverished and their viability as sovereign states was not obvious. As the Chinese built diplomatic relations across this former Soviet periphery after 1991—exploring investment, negotiating border accords, coordinating logistics—they were cognizant of the need to project a strong and multifaceted state presence along the Sino–Central Asian frontier.

Within China, deliberations about how to exercise power in the face of changing foreign relations along the remote frontier had been underway since the 1980s. In 1983 improving relations between the two Cold War rivals, China and the Soviet Union had resulted in the gradual opening of the Soviet-Xinjiang border that had remained shut to cross-border traffic since the early 1960s. Trade began as a confidence building measure in 1983 and was closely regulated by regional communist party authorities. In 1986, the Chinese Ministry of Foreign Trade and Economic Cooperation—which would later become the Ministry of Trade—allowed border trade (the same year, the Karakoram Highway connecting Xinjiang to Pakistan was also opened to commercial traffic although border markets were not established adjacent to Pakistan). The border at Khorgas on the Xinjiang–Kazakhstan border connecting northern Xinjiang to Almaty in Kazakhstan was the first to open for border trade. In 1986, the volume of goods traded through Khorgas had exceeded US$13 million. In 1990, just prior to the collapse of the Soviet Union, the number of traders visiting Khorgas had exceeded 50,000, a number that jumped to 75,000 in 1991, exceeding 100,000 in 1994. According to anecdotal accounts re-

12. Ibid., 4–5.
14. Regional and provincial leaders in China saw the possibility of instability spilling from Central Asia into Xinjiang, a Turkic, Muslim-majority region, where segments from within the population periodically contested the region’s ties to Beijing. Following the collapse of a centralizing Soviet state, the Chinese stepped up the presence of state security institutions; the visibility of these institutions continues to grow (Karrar 2009).
ported in the Telegraph Agency of the Soviet Union World Service on 20 December 1991, the numbers of merchants traveling from Kazakhstan to Xinjiang to purchase “New Year’s presents” was so large that the international border had to be shut down.\textsuperscript{18}

Chinese authorities continued to open border markets in Xinjiang. After the success of the market at Khorgas, border markets in Tacheng and Bole—also in northern Xinjiang—were opened. In 1993, China established yet more markets in the region and experimented with visa-free entry for Central Asians for up to three days. The same year, shuttle traders began purchasing in Urumchi, the capital of the XUAR. In 1993, it was reported that four hundred thousand shuttle traders from regions neighboring Xinjiang visited Urumchi and purchased goods worth 1 billion renminbi (nearly US$175 million at the 1993 exchange rate); at this time, Xinjiang had eleven overland ports connecting it to neighboring states.\textsuperscript{19} Beijing’s view was that following the collapse of the Soviet Union China could step in and provide goods needed in the independent Central Asian republics. Running parallel to growing commerce were steadily deepening diplomatic ties between China and Central Asia with Premier Li Peng’s high-profile visit to the region in April 1994 signaling China’s intention to build security and commercial cooperation—both formal and informal—with the region.\textsuperscript{20}

Far from seeing this early border trade as threatening the authority of the state, Li Donghui, vice chairman of the region, was quoted in Beijing Review on 23 January 1995: “A quick and effective way to promote local economic development and help minority nationalities overcome poverty is to encourage prosperous border trade.”\textsuperscript{21} Individual entrepreneurship—even if it bypassed state regulation—was ultimately beneficial for the state as it gave locals incentives to engage in profitable enterprise in a region with limited economic opportunities. Increased prosperity amongst local communities was verified by anthropologist Jay Dautcher, who spent a year (1995–1996) living in Yining, a region that saw bustling trade with Central Asia in the early 1990s. Yining’s marketplace was a multiethnic one in which different nationalities benefited from trade: merchants, mostly from Kazakhstan and Uzbekistan, Han vendors from Shanghai and Ningbo or smaller localities in Zhejiang, Anhui, and Jiangsu, and the yangpungchi, Uighur youth functional in both Chinese and Russian, serving as intermediaries between buyers and sellers in the marketplace. Dautcher described the lucrative effects of frontier trade: “Given the flow of trade goods through Yining and the many opportunities [Uighurs] found to participate in

\textsuperscript{18} Telegraph Agency 1991.  
\textsuperscript{20} According to Xinhua on 13 April 1994, the premier’s landmark visit, which enhanced China’s image in the region, was unusual given that Li Peng was accompanied by the largest entourage of businesspeople to ever accompany a Chinese premier. See Xinhua 1994. Two years later, a multilateral forum the Shanghai Five mechanism between China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan, was put in place to address confidence building and security measures in frontier areas. After 2001 the mechanism would be formalized as the Shanghai Cooperation Organization (Shanghai hezuo zuzhi) mandated wide-ranging cooperation amongst member states.  
\textsuperscript{21} Liu 1995.
local and cross-border marketing, it is not surprising that there were numerous signs of increasing wealth in the \textit{mehelle} [neighborhoods].” He adds: “Throughout the 1990s, it seemed that more and more residents were able to build fancy new houses, dress themselves and their children in colorful new clothes, and generally enjoy higher levels of consumer expenditure than ever before.”

Besides serving as intermediaries in local marketplaces, in the 1990s Uighurs also took to shuttle trading, moving goods from Xinjiang primarily to Kazakhstan and Kyrgyzstan, but also elsewhere in the post-Soviet bloc, benefiting from the fact that Turkish was widely spoken by many people across this vast geographical expanse (the absence of Turkish in Pakistan being one reason Uighurs never made substantive headway into that market). In this way, the Uighurs benefited from the easing of the command economy in the frontier region. However, as the 1990s progressed and shuttle trading started giving way to wholesale purchasing for national markets, Uighur itinerant trading declined sharply.

Let me link this discussion on informal border trade to our earlier deliberations on the state and postulate that informal commerce out of Xinjiang resulted from direct intervention of the Chinese state officials. Put another way, without the acquiescence of these state officials, there would have been no informal trade between China and Central Asia (and Pakistan). From the outset this is paradoxical: how do we reconcile state acquiescence for commerce outside of official regulations with the need for official regulations? While formal trade is growing, how do we explain the continuation of informal trade? The answer lies with China’s political and regional leadership, a topic taken up in the next section.

Before discussing elite motives, a final point about the importance of the state: Just as formal trade—for example, in heavy industry, hydrocarbons, raw materials, telecommunications—needs state intervention, so too does informal trade. Even petty exchange by shuttle traders requires infrastructure that only states can provide. Shuttle traders need passports, visas, border permits, transport, and markets, none of which can exist without the state. Regional and central authorities in Xinjiang have steadily catered to foreign demand for Chinese products, beginning with establishing border markets alongside the Soviet Republic of Kazakhstan prior to the collapse of the Soviet Union to the development of a Special Economic Zone (SEZ) in Kashgar in 2012. Xinjiang’s steady increase in international trade came about as a result of state intervention to build international trade. Given that the Sino–Central Asian border was closed during the Sino-Soviet split, a priority during the 1990s was opening new ports, upgrading roads and building railways, all facilitating the movements of individ-

uals. Also while early trading in Xinjiang was based on cash transactions and characterized by transporting goods in suitcases and gunnysacks, as trade volumes increased in the 1990s more sophisticated mechanisms were needed to move goods across the border; these would require state intervention.

State structures that facilitated informal trade resulted from policy decisions by individuals with stakes in this inter-Asian trade. The state was not a static monolith but rather a shifting matrix of interest groups. As Susan Strange noted, what might have been viewed as the declining power of states since the cold war could actually be seen as the “diffusion of authority to other institutions and associations, and to local and regional bodies.” Continuing with China and Central Asia as the frame of reference, we turn now to actors with stakes in this inter-Asian trade.

State Actors, Regional Bodies, Transnational Agency

The restructuring of the Mao-era command economy began after the ascendancy of Deng Xiaoping in 1978. Beginning with the Household Responsibility System (jiating lianchan chengbao zerenshi), state control over commercial activity eased and petty entrepreneurship flourished. By the mid 1980s individuals across coastal and central China were generating an informal income. After Mikhail Gorbachev became general secretary of the Communist Party of the Soviet Union in 1985, petty entrepreneurship received an impetus all across the Soviet Union. Hence, at a basic level border trade between Xinjiang and Soviet Central Asia stemmed from these trends. This became possible by the late 1980s as economic liberalization in China—which had begun in the coastal areas—reached the interior, and after 1992, because of the economic decline in Central Asia following the end of Soviet rule. While this teleological sketch holds as a general observation, the discussion can be moved further by asking where the initiative came from, what local bodies facilitated the trade, and how border trade out of Xinjiang created transnational agency.

I begin with China’s political elite. The previous section identified the role of the state in the rise of border trade after the collapse of the Soviet Union. Here I observe that border trade did not take place in a political vacuum; it was sanctioned by the political elite and fit into a framework of development and macroeconomic planning. Support for border trade came from China’s supreme leader Deng Xiaoping who encouraged border trade during his Southern Tour (nanxun), which he undertook in January 1992, primarily to accelerate market reform in the aftermath of the 1989 Tiananmen crackdown.

The Southern Tour coincided with the emergence of the Central Asian states. Highlighting rapid reforms in Guangdong province, Deng stressed that economic growth should be “conducive to the growth of the socialist productive forces, to the growth of the comprehensive national strength of the socialist state, and to the enhancement of people’s living standards.” Although initially

reluctant, influential party members such as Premier Li Peng and Chen Yun (chairman of the CCP Central Advisory Commission), who had earlier feared that rapid economic growth could lead to the erosion of the Party’s authority, eventually came to support Deng’s initiative. During the Fourteenth Party Congress held in October 1992 the “socialist market system” was hailed as Deng’s monumental contribution to Marxism–Leninism–Mao Zedong Thought.  

Although Deng visited coastal regions—Guangzhou, Shanghai, Wuchang, and the Shenzhen and Zhuhai SEZs—the symbolism of his tour reverberated in the northwest. Deng’s stress on reform led to more autonomy for provinces, enabling them to build international commerce. Besides cities along the Yangzi river, nine cities in Manchuria and the northwest were opened for trade and investment. As Xinjiang television reported on 9 June 1992, the opening of border towns in the northwest was an implementation of coastal policies being applied to the interior.

During the Southern Tour, Deng Xiaoping had also stressed that economic production should enhance people’s standard of living, an idea that reverberated amongst Xinjiang’s political elite. Until the end of the twentieth century, Xinjiang had remained an impoverished hinterland where per capita income had lagged behind coastal and central China. Trade with neighboring countries allowed for economic uplift with little state intervention. On 28 March 1992, the Xinjiang Ribao quoted XUAR chairman Tomur Dawamat highlighting the centrality of economic development by noting that a vibrant economy would ensure that all nationalities would attain common prosperity. Dawamat referred to economics as “the material foundation that upholds long-term stability. We will no longer be afraid of hostile forces after we have increased our economic strength…. We must increase the sense of urgency in this regard.”

Similarly, in a meeting chaired by Premier Li Peng in Beijing on 7 June 1992, the premier highlighted the benefit of building links with the newly independent Central Asian republics. He called for the northern autonomous regions to “emancipate their minds, change their mentality…to bring their economies to a new high in a better and faster manner.”

This sense of urgency was prompted by Deng’s insistence on a quicker rate of reform. Consider the following by a commentator in Xinhua on 27 August 1992:

After studying the talks of Comrade Deng Xiaoping during his Southern Tour, all of Xinjiang, from top to bottom, reflected on their lessons and traced the reasons for the slow opening of the mind and lack of initiative and becoming a pacesetter, lack of daring in opening up to the outside world, preference for stability for fear of chaos.

In September, Li Peng visited a trade fair in Urumchi—a visit that would become

an annual event thereafter—and invoked Deng’s calls for innovation in economic modernization.32

Deepening economic relations with the Central Asian republics meant increasing trade volume. This required institutions that could facilitate the movement of larger volumes of goods. Whereas the early shuttle traders had transported merchandise on buses, larger trade volumes required the assistance of logistics companies or border trading enterprises, as they were referred to in China. Besides providing transport services and delivery in a foreign country, border-trading enterprises would typically have official price lists for Chinese merchandise frequently purchased in Xinjiang for export, knowledge of trade regulations, and how these were to be negotiated.33 In 1991, there had been five border-trading companies in Xinjiang, indicating that shuttle traders were carrying the large majority of the goods. By 1996, Xinjiang boasted 346 border-trading enterprises, increasing to 400 in 1999.34 While some of the trade and travel logistics companies were handled by Central Asian nationals who have established business in Xinjiang, at least one third of the trade was controlled by subsidiaries of the paramilitary Xinjiang Production and Construction Corps (Xinjiang shengchan jianshe bingtuan), or the regional government’s Foreign Trade Group.35

The role of the regional government in promoting external trade as well as that of the Production and Construction Corpse—a mammoth paramilitary outfit that was formed in 1954 and undertook projects ranging from agriculture, forestry, animal husbandry, industry, commerce, finance, trade, and transport-

32. Xinhua 1992 (Xinjiang).
33. Ibraimov 2009, 55.
35. Ibraimov 2009, 55; Wiemer 2004, 185–86.
tion to land reclamation and civil engineering—underscores interests of the local political elite in this inter-Asian trade. Farther afield, the development of Xinjiang as a commercial hub has benefited the manufacturing sector, especially in Zhejiang, Hebei, Fujian, and Guangdong; some of the investment in building “one-stop” markets for foreign purchasers came from investors in Zhuhai and Hong Kong. Members of the political and administrative elite across the region enjoyed the benefits of border trade, as did investors, manufacturers, and retailers in different parts of the country. Hence, the facilitation of border trade was the development of a new comparative advantage, where since the 1980s China, as is the case with other East Asian states, has been highly successful.

Finally, the steady growth of transnational commerce empowered non-state actors in China and neighboring countries. Let me illustrate with examples from two vastly different media outlets. The first is an account that the Chinese state-run Xinhua news agency reported on 20 November 2000 on modernization effects of border trade in Muhana village, Wuqia county along the Sino-Kyrgyzstan border. The village, located at an altitude of 2,900 meters, had 206 residents. Whereas previously the locals had been pastoral nomads living a poor life, border trade reportedly transformed the community. Border trade, it was said, had brought prosperity as illustrated by roads, electricity, and appliances (sewing machines, refrigerators, color televisions), leading to sedentarization of a traditionally mobile community. “The herdsmen’s life had been changed,” the Xinhua article exuded, “by doing border trade during the day and watching television programs at night.”

The second example, from the Toronto Star, describes the journey of Pakistani shuttle traders from Kashgar in western Xinjiang to the Pakistani border town of Sost. The geopolitical context is enhanced by the increase in state security following the attacks in the United States on 11 September 2001 and the heightened vigilance of the Chinese authorities along the Sino–Central Asian/Sino–Pakistan border. The article is sympathetic to the Pakistani traders as they complain of repeated harassment, delays, and bureaucracy on the Chinese side. But economic empowerment is also evident as the petty merchants—burdened by electronic goods and blankets for sale in Pakistani markets—negotiate officialdom along the highest border crossing in the world.

Here we have two differing accounts: one by a state-run news agency in a

37. On 3 January 2011, Edward Wong of the New York Times quoted PLA General Liu Yazhou as stating that “Central Asia is the thickest piece of cake given to the modern Chinese by the heavens.” General Liu’s remarks were lifted from his article in the Hong Kong-based Phoenix Weekly, where he also wrote: “China has begun stimulating feverish consumerism in the area.” Since publication of the New York Times’ article, Liu’s comments have been cited and re-blogged repeatedly on the internet. While Liu may be overstating the importance of Central Asia for the Chinese economy—similar comments could be made regarding to Chinese economic inroads to other parts of the world—Liu’s observations suggest how elite opinion in China sees commercial ties with Central Asia as being widely beneficial.
country where officials retain a tight grip on the media, and the other from a mainstream, regional Canadian daily. The former presents a glowing account of the modernization stemming from border trade, where progress is measured in material terms, whereas the latter gives in to excessive hyperbole by describing the hardship of the journey and the experience of seven merchants to conclude that relations are declining between China and Pakistan. We may dispute the analysis, but beyond dispute is the newfound empowerment enjoyed by a range of people through inter-Asian trade. This economic empowerment results from largely informal transnational interconnectivity realized through mobility and international border crossings, either by oneself or by others.

Today the multiple layers of inter-Asian connections are evidenced in Xinjiang’s market towns, the Central Asian republics, and Pakistan, where sign boards for local businesses are frequently written in some combination of Chinese, English, Russian, or Kyrgyz, Kazakh, Uighur or Urdu. The intermixing of scripts and vernaculars across the greater Central Asian region is reminiscent of pre-modern inter-Asian trade when Chinese, Sogdian, Tibetan, and other Eurasian languages were heard in the bazaars and caravansaries of Eurasia. With the proliferation of the Chinese language partly through newly opened Confucius Institutes in each of the Central Asian states, as well as in Pakistan, one may infer that China is assuming its historic role not just as an economic giant but also as a pivot at the center of the Silk Road. But a discourse of the Silk Road that centers the state does not sit effortlessly with the informality and transnationality that defines inter-Asian commerce out of Xinjiang today. Having examined the role of the state, as well as the political, regional and transnational actors, we move on to the third and final part that asks how the new geopolitical ecologies lead us to new and old imaginaries of commerce in innermost Asia.

**The Silk Road vs. Silk Roads: A New Asian Dynamic Beyond the State?**

In *Asia as Method*, Kuan-Hsing Chen writes:

> The most important function of historical interpretation is to selectively organize popular memory. As critics of the society, we are fortunate to be able to watch these processes in action and see firsthand how collective memory does not just exist “out there,” but is constructed and reconstructed through the writing of the past into the future.”

41. While the immediate benefits of this inter-Asian trade are enjoyed by people living in proximity to the border, some of the merchants are based further afield. Today, the majority of Pakistan’s trade from Xinjiang is financed by merchants from the Punjab and Khyber-Pakhtoonkhwa Province, although conducted by intermediaries from Pakistani Northern Areas neighboring Xinjiang as they can cross into Xinjiang with a locally issued border permit—as opposed to requiring a passport and visa—and qualify officially for lower tariffs. Amongst Central Asians there is another phenomenon whereby merchants purchasing for wholesale markets in Central Asia take up residence in China, mostly in Urumchi and Yining, but also farther afield in Beijing and Guangzhou (Ibrahimov 2009, 55). This Central Asian diaspora is a product of inter-Asian trade out of Xinjiang.

42. Chen 2010, 63.
The construction of the Silk Road as a centralized, synchronized commercial web sprawling out of China marks such a selective narrative building and projection. But if we quarrel with this particular writing of the past into the future, then there must be an alternative. The alternative modality in my framework is one that is informed by the state as the initial frame of reference, informal border trade as a commercial modality in Central Eurasia following the cold war, and political interlocutors and transnational actors who seek to shape, negotiate, and gain from this trade.

These constitute the individual parts of this sprawling commercial enterprise out of Xinjiang; viewed in a single eye span they are illustrative of an ever-evolving commercial process and rally against a centralizing historical narrative. Hence, in this section, I propose an alternate rubric of Silk Roads in which a new Asia is being re-practiced into existence through informal border trade from Xinjiang. Inasmuch as today’s inter-Asian commercial structures are both informal and robust, they are discursive and transnational, transcending the cold war state. This post–cold war inter-Asian trade maps onto a pre–twentieth-century imaginary of inter-Asian trade through a historical memory sustained by commercially viable interlocking macro-regions. Instead of viewing the Silk Road as a single unit, commerce out of Central Eurasia ought to be seen as a multitude of interlocking commercial spheres that intersect in Xinjiang.

Let us begin with a longue durée vista. The earliest extant accounts of exchange between China and Central Asia date to the Han dynasty in China (206 BCE – CE 202) when ambassador Zhang Qian (d. 114 BCE) returned from Central Asia with accounts of Chinese merchandise being traded in the bazaars of Central Asia, a fact that hitherto the Han had not been aware of. Over the next fifteen hundred years, the ebb and flow of merchandise oscillated along with the political climate across Eurasia. Besides Chinese efforts to secure war horses from Central Asia, much of the trade was in Chinese luxury produce such as silk, porcelain, tea—“superfluous things” to borrow Craig Clunas’s phrase—and was uniformly high in value and low in bulk that allowed transportation costs to be recovered. This inter-Asian trade continued until the sixteenth century, when it dwindled as a result of the arrival of European mercantile power in the Indian Ocean, as well as sustained hostility amongst neighboring Asian empires (Uzbek, Safavid, and Ottoman) that closed the east–west trade corridor. Eurasian trade suffered further setbacks with British, Qing, and Russian imperial expansion in the eighteenth and nineteenth centuries in Central Asia.

This inter-Asian trade was one of the most elaborate forms of commercial activity known to humanity; it survived for the best part of two millennia because it was a flexible economic system. The rise and fall of dynasties and city-states across Eurasia meant that trade was continuously in flux and that commercial practices on the frontier frequently deviated from what was officially decreed.43

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45. While John King Fairbank’s framework (1973) of a regional order with a tribute-seeking Middle Kingdom in the center and tributaries on the periphery is still useful in explaining the
Merchants moved goods from one oasis to another; one single caravan did not shuttle wares across Eurasia. While some of the trade was trans-Eurasian—Chinese silk transported all the way to the Mediterranean—for caravaneers and merchants there was no concept of “the Silk Road,” a term that was coined by German geographer Ferdinand von Richthofen (1833–1905) that gives a uniform, linear view of Eurasian interconnectivity. According to Valerie Hansen, travelers described the route they were on as the road to Samarkand or “whatever the next major city was.” Hansen also observed:

Over a hundred years of archeological investigation have revealed no clearly marked, paved route across Eurasia…but instead a patchwork of drifting trails and unmarked footpaths. Because there was rarely a discernible route, travelers almost always hired guides to take them along a particular section, and they frequently shifted to another path if they encountered obstacles.46

Today’s cartographic depiction of the Silk Road—whether produced by a state, a travel company, or sometimes historians47—where bold lines streak across Asia, would appear anachronistic to the pre-modern Badakshani, Turk, or Sogdian whose concept of what they were doing was closer to trade within commercial macro-regions extending around market towns as conceptualized by G. William Skinner.

In a landmark article published in the Journal of Asian Studies in 1985, anthropologist G. William Skinner proposed looking at the Chinese state not as a single unit but as nine commercial macro-regions.48 These macro-regions were geo-economic units with an economic center and peripheral market regions that were connected by waterways providing inexpensive transport. While the scale of these macro-regions was influenced by geographical features, such as mountains, deserts, and alluvial plains, they were determined primarily by transportation costs as there reached a point beyond which transportation costs rose to a level where the goods would no longer be competitive. This framework is applicable to border trade from Xinjiang today, with the obvious caveat that transport along waterways is now by road transport and that the macro-region extends across the national delineation of the XUAR into Central Chinese state’s commercial engagement with the outside world, this model was not rigidly imposed along the Inner Asian frontier (for a critique of Fairbank, see Hevia 2005). Not only did the Chinese state periodically permit trade outside the tributary system, but there was also an extensive network of traders operating in violation of state authority. This does not mean that there was an absence of state power, but only a difference in the way that the power of the state was projected and negotiated along the frontier. For examples of how trade along the frontier deviated from the ritualized Chinese approach towards foreigners see Bello 2000; Millward 1998; Newby 2005.

47. Consider the map produced for the British Library’s 2004 exhibition “The Silk Road: Travel, Trade, War and Faith”: www.bl.uk/onlinegallery/features/silkroad/pdf/silkroadmap.pdf. Although beautifully produced, the bold lines depicting “the Silk Road” suggest a uniform interconnectivity across all of Asia that arguably never existed. It also sets down the Silk Road as one might depict an interstate highway. In fact, these pre-modern and early modern routes were ever shifting.
Asia and Pakistan. The macro-region extends to the point where merchandise purchased in Xinjiang generates a profit with the added cost of overland transport and the travel expenses of traders. Put another way, commercial viability determines scale; the macro-region is a profitable commercial unit whose benefits are derived by a range of people we have identified in previous sections: political elite, regional administrators, sellers and service providers, merchants and purchasers. The fact that an international border intersects the macro-region, or more than one in the event that goods are re-exported, as they frequently are from Kyrgyzstan and Pakistan, is not a variable unless it cuts into profitability.

Commercial macro-regions rest entirely on profitability; they are not static. Consider a recent example: on 4 January 2010, a landslide at Attabad village in Pakistan’s Gilgit-Baltistan Province adjacent to Xinjiang blocked the flow of the Hunza River. The landslide led to the loss of twenty lives, the displacement of 6,000 others, and the flooding of surrounding villages and terraced land. Twenty-five thousand people were stranded between the flooding and the border with China. The damming of the Hunza River on 4 January resulted in a steady buildup of water that submerged the Karakoram Highway, the only overland route between Pakistan and Xinjiang. By the summer of 2010, thirteen kilometers of the Karakoram Highway were under water, in some places a hundred meters deep.

The state was slow to respond. In the meantime, private entrepreneurs took advantage of the disaster and soon a flotilla of privately run boats was informally shuttling passengers and cargo across the “Attabad Lake,” as the disaster now came to be described. These rickety boats were powered by a long-tail motor.
and lacked a canopy and seats, which allowed them to be piled high with cargo. With the arrival of boats in the Attabad Lake region, trade with China resumed. But the nature of the trade had changed. Prior to 2010, during visits to the Hunza Valley below the point where the disaster would occur, I had noted the growing presence of Chinese household items in local markets. Local shuttle traders had imported these goods; the low cost of this merchandise, even when coupled with transportation costs, edged out competing Pakistani brands. Washing soap, for example, shuttled over the border from Kashgar was cheaper than washing soap transported from the closest wholesale market in Pakistan. But following the Attabad disaster, Chinese household products disappeared from local markets.

Chinese household products disappeared from local markets not because the trade route was closed but because the flooding of the Karakoram Highway added an extra two thousand dollars in transportation cost per container-load; cargo now needed to be unloaded from trucks on the northern end of the lake, loaded onto boats, transported thirteen kilometers by boat, unloaded at the other end, loaded onto four-wheel-drive vehicles for a one-kilometer journey up an unstable mudslide, unloaded from the four-wheel-drive vehicles and loaded onto trucks at the other end. No part of this process was mechanized. While some of the higher value goods destined for national markets could absorb the extra transportation costs—in July 2012 we traveled by boat over Attabad Lake sitting on bolts of Chinese cloth—everyday household items that had been inundating local markets could not retain their profitability after factoring extra transportation costs. Chinese washing soap, to use the earlier example, was no longer cheaper than a local variant.49

The Attabad disaster demonstrates that this inter-Asian trade needs to keep

49. The one exception was Chinese beer, which continued to be readily available in local markets. Beer, although produced in Pakistan, either has controlled circulation and is available only through select outlets (none of them in Gilgit-Baltistan Province), or sells for marked up prices on the black market. Given the lack of official distribution and an already marked up black market price for Pakistani beer, Chinese beer remained commercially viable even with the additional transport costs factored in.
responding to new modalities and brings into focus the multitude of variables influencing trade along a single trade corridor. Consider the variables at play: the landslide, the lack of state initiative to address the crisis, private entrepreneurship in running boats in the Karakoram-Himalaya, the availability of four-wheel-drive vehicles, and the presence of abundant labor on the northern and southern end of the Attabad Lake. Also consider that the entire transport process is informal and unregulated.

This flexibility is a defining characteristic of trade along today’s Silk Roads; its malleability is a carryover from pre–twentieth-century Eurasian trade. The twentieth century and especially the cold war imposed a rigidity along the frontier as the People’s Republic of China and the Soviet Union, with their straightjacket command economies, sought to regulate commercial life, especially in sensitive border regions. During the cold war, the line on the ground that marked the extent of state sovereignty also became a barrier to the movement of people and ideas. But if the post–cold war informal Eurasian trade shares similarities with its pre–twentieth-century counterparts, how do we explain why it gets mapped onto old commercial structures? What is the site of memory? Do people remember? Do deserts, steppes, and mountains retain residual commercial structures that can be revived?

The answer to the first question is straightforward: while there is a public consciousness about pre-twentieth century inter-Asian connections, this does not amount to a collective memory grounded in historical experience. More often than not, for people in Central Eurasia the memory of inter-Asian connections is an attempt to appropriate the Silk Road. Across western China, Central Asia, Iran, and northern Pakistan, every tourist hamlet claims to lie at the heart of the Silk Road.50 While the Silk Road is clearly a powerful imaginary, those engaged in inter-Asian commerce today do not choose this vocation because they imagine themselves following in the footsteps of their ancestors

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50. The use of the term “Silk Road” is not limited to China and Central Asia. Consider a recent article in the business section of the New York Times, where the Silk Road was described as a commercial connection between China and the Gulf states, both “centuries ago” and presently. See Shah and Reed 2012.
trading along the Silk Road; they trade to make a living. In fact, the large majority of people who lived along an early modern or pre-modern Silk Road did not make a living through trade, but were sedentary. 51

The physical geography retains the residual commercial structures that are revived, more than people. The topography where inter-Asian trade criss-crossed, the deserts, steppes, and mountains, were seemingly inhospitable places where the frontiers of empires were knotted together. But this same topography allowed for the movement of people and goods, with the physical space generating economic specialization which we today remember as Silk Road trade. As the cold war came to an end innermost Asia remained the site where international borders intersected. The end of the cold war unmoored trade in China and also the former Soviet Central Asian republics from the straightjacket imposed by the state, as a result of which an adaptive, transnational form, reminiscent of earlier Eurasian trade developed.

Conclusion

Visiting Xinjiang, Kazakhstan, Kyrgyzstan, and Pakistan’s Gilgit-Baltistan Province adjacent to the XUAR, it is hard not to be struck by the scale of transformation taking place as a result of China’s growing economic footprint in the region. Traveling with and conversing with shuttle traders in the region, I was struck by the scale of the informal trade and the transparency with which it occurred. How did one explain it? The conventional rubric—that of a New Silk Road coming into existence—is hegemonic, state-centric, regulated, and by being so is a significant deviation from the local reality of the inter-Asian trade being practiced over the last two decades.

The primary challenge is to explain the continuation of informality. Saskia Sassen’s suggestion—that as states develop the informal economy shall be streamlined into the formal economy—does not have traction yet in western China. 52 Instead, informality exists with the acquiescence of the state. Informal commerce provides uplift in a traditionally impoverished minority region as a result of which the state takes on an important function. If informality is regulated out of Xinjiang’s border trade, then a segment of the region’s population will be economically marginalized. Informal commerce becomes an “adaptive informal institution” whose continuation is beneficial for the state. 53 Besides being beneficial in providing economic agency to a range of individuals, informal trade also serves the economic interests of the regional elite. The benefit for the state is at two levels: improving livelihoods of people engaged in this trade, and the creation of new bodies such as border-trade enterprises that are frequently state owned and from which the state benefits directly.

In this article I have argued that a new Asia was being re-practiced into existence through informal commerce. The inter-Asian commerce we have explored became possible only in the context of the restructuring of state
power after the cold war. The end of the command economy meant that spatial imaginaries were now constructed based not on the limitations of national power, but were sustained by transnational commercial viability. This commercial viability was realized in ever-evolving interlocking macro-regions made up of the movement of goods and people that overlapped in Xinjiang and led to an inter-Asian connectivity not seen since the development of modern state structures in Eurasia.

ACKNOWLEDGMENTS: I am indebted to Caglar Keyder and Ravi Palat for critical feedback and constructive comments on earlier drafts of this article. Prasenjit Duara and Deniz Yükselker engaged with the ideas presented herein; their comments were crucial in my framing of the argument. I thank them all.

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