

## **Institutionalized Informality and Shuttle Trade at the Chinese-Kazakh Border**

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Abstract:

This paper looks at the organization of shuttle trade in the Khorgos free trade zone, located at the Chinese-Kazakh border and hailed as a key link on the Belt and Road between China and Central Asia. In particular, we focus on how the institutional setup and regulatory mechanism of checkpoints shape the brokering practices as well as the coordination of cross-border informal exchanges. Border checkpoint is a state institution common to all nation-states. It is the prime establishment responsible for regulating trans-boundary movements and enforcing the selective permeability of borders. While existing studies on cross-border informal/shadow exchanges all see the border as gateways of resource flow, relatively few focuses on the prime institution governing the actual flow of goods and people: the checkpoint.

By checkpoint politics we refer to the material and power exchanges among state and non-state actors in negotiating the selective permeability of borders. We argue that the configuration of checkpoints directly shapes the forms of organization and social networks that broker cross-border exchanges. We illustrate this with the empirical field research undertaken in the Khorgos Free Trade Zone at the Chinese-Kazakh border. Formally known as the International Centre for Boundary Cooperation (ICBC), this border trade zone was open in 2012 and serves as a gateway of resource flow in both directions: Kazakh traders go there to buy cheap Chinese goods and transport it to Kazakhstan and elsewhere, whereas Chinese traders are mostly taking advantage of the duty-free policy to buy foreign goods. Large number of petty traders from both sides engages in informal trade evading the official custom regulations. Though informal, a closer look at their mode of operation suggests that their activities are highly organized and indeed institutionalized, and the Kazakh and Chinese exhibit vastly different brokering practices due to the different checkpoint setup.

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