

Do Bazaars Die?

Notes on Failure in the Central Asian Bazaar

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Introduction

In June 2013, I began fieldwork in Dordoi Bazaar. Dordoi is a predominantly wholesale market on the outskirts of Bishkek (pop. approx. 1 million), where an estimated sixty thousand people work daily (interview with bazaar supervisor, 19 June 2013; *Times of Central Asia*, 5 March 2014). In our interviews, my research assistant and I sought a representation of sellers in each of the administrative sub-bazaars of this sprawling market: men and women, young and old, retailers and wholesalers, Kyrgyz and Russian. Primarily, I was seeking to understand daily exchanges: What was sold? Where were goods sourced? Where were the buyers? But when a seller was particularly forthcoming in his or her replies, we broadened our inquiry: How long had they been trading? Why did they start trading? How had the bazaar changed?

The answer to these latter questions is revealing for two reasons. First, bazaars in post-Soviet Central Asia – that were initially unplanned – were places where informal exchanges flourished. Although the informal economy – licit exchanges that are not underground, yet remain deregulated (Sassen 2006, 392-393) – was growing during the twilight of the Soviet Union, the number of people in informal enterprises increased sharply after 1991 (Humphrey 2002; Karrar 2016). Second, bazaars became ubiquitous public institutions where people, goods, capital, and information circulated.

As a result, first-person accounts of the bazaar from the 1990s can offer insight into societal disengagement from an old system, and transition to a new polity; the dynamics of informal trade are illustrative of how individuals dealt with the emerging polities. In conversations in the bazaar, these negotiations manifest as value systems: about success and failure, the individual and the collective, and microentrepreneurship in a new macroeconomy (Fehlings & Karrar 2016). Given how the initial post-Soviet generation of sellers are today a minority in Central Asian bazaars – based on my 2013 survey of just over four hundred sellers in Dordoi and Kara-Suu (located on the outskirts of Osh), more than fifty per cent of the sellers have been trading for less than ten years (Karrar 2017, n7) – I am always keen to talk to sellers who can describe the transition through the vantage of the bazaar floor.

One morning, proceeding south to north in Europa – the Dordoi sub-bazaar for comparatively expensive clothing and shoes – I spotted an elderly Russian man, one arm resting on a display, the other holding a lit cigarette. Unlike most Dordoi aisles, Europa's outer retail rows are neither wide nor well lit; the area is dingy, the passage twisted, the ceiling low, with dark fur hats and winter coats draped on displays. In the midst of this melancholy place stood a venerable seller,

lost in his thoughts. The setting was arresting, triggering my basest impulse as a researcher. ‘I’ll bet he’s got a story to tell,’ I thought to myself. ‘We’ve got to speak to this gentleman,’ I announced to my assistant.

The seller remained disinterested as we introduced ourselves; I don’t think he even looked at us. ‘Can we ask you a few questions about Dordoi? About trade in the bazaar?’ I asked eagerly.

‘Dordoi?’ he rasped, the cigarette now dangling from his lower lip. ‘Dordoi is dying.’

Silence followed.

‘You’ve come too late,’ he finally proffered, by way of an explanation. ‘The Customs Union killed the bazaar.’

Just like that. A requiem for a market.

I begin with this vignette because it foregrounds a question I find interesting: *do* bazaars die? What would such an assertion actually mean?¹ Parsing the polemics, the ‘dying’ of Dordoi was a foreboding of individual failure on the part of the elderly seller. Failure is a broad term requiring interpretation. How do we begin deconstructing it? How do we recognize it? And what can it reveal about the Central Asian bazaar?

This line of inquiry, I think, is useful. Having conducted fieldwork in bazaars in Kazakhstan and Kyrgyzstan over three years (2013, 2014, 2016), I am cognizant that in markets one speaks to sellers who generate enough turnover to keep trading. Hence, the bazaar becomes – at minimum – a place of economic survival. This is, of course, preconditioned on the marketplace continuing to exist, and the state not deciding to appropriate the trading space for other purposes. But the bazaars that continue to exist have a primordial economic viability by virtue of their existence, and because people toil there (Botoeva & Spector 2013; Kaminski & Mitra 2010; Karrar 2016; Özcan 2010; Rudaz 2017).

This working paper is an attempt to read against the grain of narratives in which the economic function of the bazaar is to add to the state economy – formally or informally – and *ipso facto* household economies. Additionally, this preliminary exploration of failure – failure broadly

¹ Note what has *not* happened in the three examples that follow – Dordoi bazaar in Bishkek, Baraholka in Almaty, and a small market in Hunza along Pakistan’s Central Asian margins – is decrease in market size. On the contrary, in these three cases the markets have grown: Dordoi has seen an overall increase in consumer traffic. In addition, it saw the building of a new sub-bazaar – Eurasia – since I first started visiting it in 2013. In my meeting with the bazaar director this summer, he described plans to remove some containers, and replace them with a shopping mall; this was, as he described, an attempt to streamline trade, and make it more efficient (interview 4 August 2016). A similar process has been underway in Almaty’s Baraholka since 2008; containers are being removed, and malls are being erected in their place (Alff 2014). The result is a bazaar that takes on the outward appearance of a North American strip mall, which not coincidentally is in keeping with Kazakhstan’s self-branding as a modern Eurasian state (Fauve 2015; Marat 2009). Finally, the town in northern Pakistan’s Hunza valley, where I draw my third example from, the bazaar has also grown.

defined here – gets to the heart of how we disaggregate informality in our project ‘Informal Markets and Trade in the Caucasus and Central Asia’: as a negotiation of a state that is non-static; through particular types of economic activities; and, in the perpetration of old and emergence of new value systems, that is, in how people think of commercial activities in an evolving societal context (Fehlings & Karrar 2016).

The bazaar is an organic institution with four constitutive elements: (1) the *marketplace*; (2) circulations; (3) people; and (4) temporality. First – and on initial encounter – bazaars appear as infrastructure, including some or all of the following: shops, stalls, pushcarts, storage facilities, administrative offices, banks and money changers, restaurants, parking lots, transport, packaging and forwarding services, restaurants and toilets. Second: The bazaar is a site of multiple, overlapping and shifting circulations; primarily capital and information, but also cultural practice and societal values that move through commercial and personal networks intersecting in the bazaar. Simultaneously, bazaars present as metrics for gauging state policies – fluctuations in currency; new tariff regimes; border closures – as well as the overall economic health of society. Third, the pivot in this untidy schema: people themselves. Buyers, sellers, peddlers, moneychangers, laborers, transporters and smugglers, administrators, service providers and security personnel, all come together in the bazaar. Fourth – and finally – bazaars are framed temporally; there are both cyclical, seasonal variations, and vertical, historical layers revealing its development (Alff 2014; Alff 2015; Fanselow 1990; Geertz 1963; Gell 1982; Kaminiski & Mitra 2010; Karrar 2017; Skinner 1964; Spector 2008a; Spector 2008b; Yessenova 2006). Hence, for an existential crisis to beset an entire bazaar, the equilibrium between place, circulation, people and temporality would need to be thrown into disarray. While it is conceivable that this could happen – that is, an entire bazaar could be experiencing a decline² – it has not been the case with Dordoi, or the other two bazaars I draw examples from. The failure I describe here is individual.

The remainder of my discussion is divided in three sections. In section 1, I describe methodological limitations of identifying failure in the field; my interest is in identifying how failure might manifest in a cultural value system, or express as foreboding about the future. In section 2, I narrow the ambit to fiscal failure, not a hyperbolic death of an entire bazaar, but the demise of a business. Here I suggest that failure is individual inability to keep enough capital in circulation. Finally, in section 3, I offer three examples from three research sites illustrating how disequilibrium in the bazaar might appear.

² In 2013 and 2014 I conducted fieldwork in Kara-Suu bazaar, located twenty-three kilometers from Osh, Kyrgyzstan’s second-largest city (pop. approx. 250,000). Everyone seller I spoke with complained that the closing of the nearby border crossing with Uzbekistan in 2010 led to a decline in turnover across the bazaar as buyers from Uzbekistan were no longer coming. Besides traders, scholars who visited the bazaar prior to 2010, and with whom I have spoken, corroborate these observations. Although Kara-Suu is still an active bazaar, where approximately 15,000 work daily (interview with bazaar director 29 June 2013), it has seen a decline in trading volume across the entire bazaar.

The Place of Failure

In the bazaar, failure presents across a wide spectrum. One extreme are entrepreneurs who go bankrupt and are forced to exit the bazaar. As researchers, we rarely meet these individuals in the bazaar. Outside of bankruptcy, however, failure manifests more subtly. It is frequently grounded in a value system that is projected as self-evident. One minute a trader may be boasting how well his business is running. A moment later he gestures towards his associate, just out of earshot: He used to be a stellar student, that associate of mine. And now look. He's working in a bazaar (interview with seller, 10 July 2014). Or the female trader who says with more than a hint of nostalgia: I used to be a schoolteacher. An engineer. An economist. These fragments waft within conversations. They are signifiers to be unpacked by the listener. The same themes reemerge: downgrading of status, positions lost, opportunities never materialized. 'There's money to be made here,' I'm often reminded by younger men exuding self-confidence. But for a portion of the older demographic, who were once part of professional classes, being compelled to take up trade, out of necessity, chaffs against a popular value set.

Outside of a cultural matrix with subtle but clear ideas of failure, foreboding about trade presents as uncertainty, *ergo* the possibility of failing. The discernible majority of people I have spoken with since 2013 described themselves as content with how their individual businesses were faring. And yet, over the course of the same conversation many would express wariness about border closure, a new tariff regime, currency devaluation, or the dreaded Eurasian Customs Union and its imposition of restrictions on Kyrgyzstan through new trade agreements binding the country to Armenia, Belarus, Kazakhstan and Russia.³ The apprehension was that change in regional relations would lead to demise in Kyrgyzstan's *entrepôt* status, which had allowed it to position itself as a hub for imports from China and Turkey and their onward distribution in Central Asia and Russia. Although the elderly Russian seller my assistant and I encountered was dramatic in declaring the bazaar dead, others too projected their own vulnerability on the market at large.

Many who described the bazaar as perishing – whether in Kazakhstan, Kyrgyzstan or northern Pakistan – would also express concern over how decline in trade was affecting the household economy, bringing home the fact that the bazaar, whether behemoth like Dordoi, or a town market, was the medium through which their financial health, and the well-being of their family was measured. And yet, despite their resigned judgment, the same sellers would be

³ Kyrgyzstan finally joined the Eurasian Customs Union in May 2015 following years of protracted negotiation. Since the 1990s, Kyrgyzstan had positioned itself as an *entrepôt*; a lax tariff regime had resulted in the country becoming a hub for imports from China and Turkey and their re-export to Russia, and elsewhere in Central Asia. While the Customs Union secured Kyrgyzstan's access to markets in Kazakhstan and Russia – as well as allowing for the continuation of seasonal labor migration to Russia, on which the nascent republic heavily depends – traders in the bazaar were fearful that the Customs Union would make it difficult to import from China and Turkey at previous volumes (Alff 2016; Kaminski & Raballand 2009).

physically present in the bazaar, day after day, month after month, wringing a living out of circumstances they had deemed impossible. Even a simple question, such as ‘are you optimistic about the future?’ rarely led to a categorical answer, with the ‘yes’ or ‘no’ being qualified in such a manner that made it abundantly clear that there were few clear binaries. Methodologically, sellers’ responses did not neatly reduce to one or the other.

The challenge is compounded by the fact that the sellers did not see themselves as being responsible for their inability to run a successful business. Their decline in fortune, or, inability to run a business as effectively as they might have hoped, was never described as being a shortcoming on their part. Rather, the market had failed. The market here could be a euphemism for the state – in its entering into new trade agreements with regional states; devaluation of currency; its support of oligarchs who controlled the market – or the market was *other* sellers in the bazaar. Put differently, the failing is not an individual’s; it is the surrounding edifice that collapses. In addition, there is another expression of failure that emerges when people talk about the failure of others: a narrative where the person who failed was too honest for trade. Here too, the fault lies with the market.

Capital Circulation

Foregrounding failure in a narrative of commercial exchange has the advantage of nuancing how the bazaar has been understood in post-Soviet Central Asia. As noted, in conventional narratives, trading in the bazaar became part of an adaptive mechanism of negotiating the polity or the state. Per this narrative, the collapse of the Soviet Union led to tens of millions of people across the former Soviet Union becoming itinerant merchants and traders. The bazaar, as I also described was a newly emerged social institution. Although popular accounts would highlight difficulties faced by merchants in crossing borders – discrimination, hardship faced by women, the perennial dealing with corrupt officials and traversing inhospitable terrain – the act of trading was one that was, ultimately, fiscally profitable. Put another way, in popular discourse on the bazaar after the Soviet Union, people took to the market to weather the transition, and for the most part they were successful. People came to the market to survive. And they did.

But did they?

The problem with this narrative is twofold: (1) It is based on a teleology: a region is beset by economic crises; bazaars emerge; people take to trade to survive, and in that they are successful; and (2) It tells us very little about how bazaars function. The bazaar, as we noted earlier, was constituted by a temporal relationship between place, a multitude of circulations in the bazaar, and people, who managed relations in these public spaces through a myriad of networks. A narrative in which anyone can take to the bazaar to survive has the danger of obfuscating details about how the bazaar functions. Failure, on the other hand, has the potential to be revealing, as it foregrounds lack

of success in making enough money, the primary reason people come to the bazaar. Failure puts the relationship between place, circulations, and people under stress.

These three components, place, circulations, and people, are brought together by capital. Capital needs to be invested to be regenerated, indeed, invested repeatedly over the duration of the business. Hence, I would suggest that failure – or what sellers frequently allege as the market having failed – is inability to keep capital circulating. Capital has to be kept in motion; when capital is kept in circulation it procures inventories, pays rent, pays for services and utilities, and is regenerated as it is reinvested. For running a business, the issue I think is less making a profit. Even generating less capital than operating costs is acceptable; provided the losses can be moved forward, business can continue, although this would go against a conventional understand of entrepreneurship. Many sellers were cognizant of the fact that there were ups and downs in trade, and for a faltering business, success required staying in business long enough that profits could be accrued at a later time. Although people who failed at trade – and whose businesses closed and they had to move on – are no longer in the bazaar, those who are present describe availability of capital, and the ability to keep it in circulation, as essential to success (interview with seller, 3-4 August 2016); besides the fact that capital sustains household economies and covers operational costs, it also allows for it to regenerate, through procuring merchandise and maintaining an inventory, which allows the cycle to continue.

Place, Circulation and People: The Limits of Capital Mobility

The three examples that follow suggest that reasons for failure in the bazaar result from a disequilibrium between place, circulation and people, the constitutive elements of a bazaar.

Place: A rapid structural change has been underway in Almaty's Baraholka Bazaar; containers have been removed, and replaced by malls (Alff 2014). The removal of containers is part of a rebranding of Kazakhstan as a modern, rapidly developing Eurasian state. As Kazakh officials have stated repeatedly, the bazaar is a throwback to the painful transition period (*Kazakhstan and Central Asia Today*, 25 June 2014). The mall, by contrast, is said to represent the future.

For traders in the old, container sections of the bazaar, this reordering of the bazaar is disruptive. Irrespective of whether a seller is a renter or the owner of the container, when a container market is designated for demolition by developers, the individual businesses must move. Although sellers said that the standard practice was that when a new mall comes up people who were displaced were given first priority, and rent on shops in a mall was not significantly more than rent on a container, the capital required for moving inventory, and relocating to a temporary outlet was considerable. As I was told, while many could absorb these extra costs, many could not (interviews with traders, 12 August 2016).

Circulation: Entry into the Customs Union – and whether that is good or bad for the country – has been a mainstay of bazaar-floor chatter in Kyrgyzstan in recent years. Although a discussion on the Customs Union is outside the scope of this working paper – and indeed, in 2016 a surprising number of sellers in Dordoi were happy with the Customs Union (surprising, given how in previous years virtually everyone had been against it) – the criticism against it was that it impeded circulation. But the Customs Union is not the only development that has impeded circulation – a steady devaluation of the Kyrgyz som in recent years, and border closures all hamper the circulation of goods.

People (and Networks): Last, an example of how the collapse of personal networks can lead to failure. The example I use is a specific one: a shop in Hunza, in northern Pakistan. There are two reasons why this example is unique. First, I have casually known the shop owner for a number of years. Second, the seller went out of business for a few years. Although he was back in business again in 2016, he opined that social relations within the marketplace had failed him. He blamed the people in shops around him: how neighbors didn't share information, how they feared competition, how this new generation of sellers didn't look out for each other. Although he did not say so in so many words, this was, in other words, not just a failure of monetary capital, it was a failure of failure of personal capital that precipitated monetary failure.

Conclusion

Do bazaars die? *Marketplaces*, of course, rarely disappear unless the state or property developers appropriate land (see for example, Rekhviashvili 2015); in the latter case, such land acquisitions may be for the purpose of building newer markets. Certainly, in the bazaars I have described, the marketplace has continued to grow. Instead of demise of the bazaar, there is a process of adaptation and adjustment: to new tariff regimes, and new cycles of supply and demand. Not dissimilar from the state in Central Asia, marketplaces have evolved in the twenty-five years since the Soviet Union ceased to exist.

But the bazaar is more than place and infrastructure: it is also people and their networks, engaging in entrepreneurship, broadly defined. Their primary purpose is to make capital grow; at the very least, they need to keep capital in circulation. As I have sought to demonstrate through examples in this working paper, this is where fallibility appears: in particular places, disruptions in circulation that might emerge from new trade regimes, and in the breakdown of personal networks. If the bazaar is people as much as it is place, then failure is individual. Bazaars do die. The question is: *how* do bazaars die?

In August 2016, I went looking for the elderly Russian seller my research assistant and I had met in June 2013. I wanted to ask him: How did he understand the fact that after Customs

Union, trade continued at Dordoi? That as much as some people saw a decline in trade, others had found new opportunities? That an entirely new sub-bazaar had opened since we last met?

I never found him. Perhaps he was right, all along. Maybe Dordoi had died.

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