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BOUNDARIES OF BORDER TRADE IN ECONOMIC POLICY*

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Abstract

This study aims to examine (cross-) border trade which is a necessity and a reality of global trade within economic policy. When the government wants to increase or decrease the border trade, it makes necessary legal arrangements and applies various economic policies. These implementations are within the scope of bilateral border trade agreements between countries and the borders established by international institutions. The inhabitants of the settlements close to the border gates and enterprises are parties to the border trade and try to increase their income through this trade. Economic policy towards border trade is important in two aspects: i- achieving the objectives of economic growth, low inflation and unemployment, equitable income distribution, balance of payments, combating black market, etc., and ii- determining the political intervention tools that can be used for these purposes. According to the capitalist order, although the decision-making body is accepted as a market in the solution of macro problems, in practice it is fixed with the experience that the state will be effective with various legal-political documents. Therefore, it can be seen that direct and definitive intervention tools such as controls of foreign exchange, migration and private sector foreign trade are more effective in the development of border trade than monetary, fiscal etc. policies, automatically and necessarily.

Keywords: (Cross-)Border Trade, Economic Policy, Economic Control Tools

JEL Codes: : *F13, F19, F49*

EKONOMİ POLİTİKASINDA SINIR TİCARETİNİN SINIRLARI

Öz

Bu çalışmanın amacı, küresel ticaretin bir gereği ve gerçeği olan sınır ticaretini iktisat politikasının çerçevesi içinde ele almaktır. Devlet sınır ticaretini arttırmak ya da azaltmak istediğinde gerekli yasal düzenlemeleri yapar ve çeşitli iktisat politikalarını uygular. Bu uygulamalar, uluslararası kurumların belirlediği sınırlar ile ülkeler arasındaki ikili sınır ticareti anlaşmaları kapsamında olur. Sınır kapılarına yakın yerleşim yerlerinin sakinleri ve işletmeler ise sınır ticaretinin tarafları olup bu ticaret

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sayesinde gelirlerini arttırmaya çalışırlar. Sınır ticaretine yönelik iktisat politikası; i- ekonomik büyüme, düşük enflasyon ve işsizlik, hakça gelir bölüşümü, ödemeler dengesi, karaborsa ile mücadele, vb. amaçlara ulaşılması, ii- bu amaçlar için kullanılabilecek müdahale araçlarının belirlenmesi olmak üzere iki açıdan önem taşımaktadır. Kapitalist düzene göre makro sorunların çözümünde karar organı piyasa olarak kabul edilse de, uygulamada devletin çeşitli yasal ve politik müdahale ile etkili olacağı tecrübelerle sabittir. Bundan dolayı sınır ticaretinin gelişiminde, döviz, göç ve özel sektör dış ticaretinin kontrolleri gibi doğrudan ve kesin müdahale araçlarının kendiliğinden ve zorunlu olarak parasal, mali, vb. politikalara nazaran daha etkili olduğu görülmektedir.

Anahtar Kelimeler: Sınır Ticareti, İktisat Politikası, İktisadi Kontrol Araçları

Jel Kodları: F13, F19, F49

INTRODUCTION

Border trade, which is suitable for legal and illegal activities, is, in principle, a special trade model that aims to meet some of the needs of consumers and businesses located in border provinces and regions more easily, cheaply and quickly. In this context, the aim of border trade is; for example; to increase regional employment, income and welfare levels, to minimize smuggling, to ensure cross-border mobility (or dynamism) in the foreign trade sector, to create a bridge of peace between two or more countries. Consumers may be interested in border trade to expand their product preferences, to have the chance to enter larger markets or to benefit from the change in the exchange rate. In this respect, border trade, which can be considered positive, can become a part of the underground economy, also known as the informal economy, if it is done for the purpose of making unfair profits by evading taxes.

Molthe (2024), based on the global Covid-19 pandemic conjuncture and the Sweden-Norway example, states that border trade is a mixed blessing, but cross-border trade is seen as both a blessing and a curse. Border trade, which is an international phenomenon and concerns all neighboring countries in the world, is the exchange of all kinds of goods, including services, based on social and diplomatic cost-benefit comparisons.

It is known that a modern state expands the borders of trade by freeing border trade to stimulate the economy when it is stagnant, and conversely, narrows the borders of this trade if there are inflationary risks. For all these, that state is expected to choose and implement economic policies consisting of monetary, fiscal and control tools.

Research Problem

This study aims to examine border trade which is a necessity and a reality of global trade within the framework of economic policy. Border trade provides mutual benefits for the state, public and enterprises. When the government wants to increase or decrease the border trade, it makes necessary legal arrangements and applies various economic policies. These implementations are within the scope of bilateral border trade agreements between countries and the limitations established by international institutions (GATT, UNCTAD, EU, etc.). The inhabitants of the settlements close to the border gates and enterprises are parties to the border trade and try to increase their income through this trade.

Literature Review

Many scientific sources on the subject have been used here. For example: Savaş (1996) has constructed the relationship between the aims and means of control policy as a matrix. Anderson and Wincoop (2001) have investigated the impact of border trade on welfare. Duval and Utoktham (2009) and Kim and Mariano (2020) have discussed the possible costs of border trade for the Asia-Pacific region. Sally (2007) has looked at free border trade in BRICS countries in terms of globalization. An OECD (2008) report raised the taxation of border trade as an emerging concept. Finally, Okazaki (2018) discusses the characteristics of 'cross-border trade' in the context of the World Bank Group's ease of doing business.

The subject is studied theoretically and metaphorically. Border trade can be compared to a river that can flow in different ways. The importance of border trade in terms of economic policy has two dimensions: i-Economic policy aims at economic growth, low inflation and unemployment, fair income distribution, balance of payments, elimination of regional development disparities and the fight against the black market. ii-It should be determined which kind of economic policy instruments these objectives will be achieved. According to the capitalist liberal order, although the decision-making body is accepted as a market in the solution of macro problems, in practice it is fixed with the experience that the state will be effective with various legal and political documents (laws, decrees, regulations, circulars, etc).

Results and Discussion

Therefore, the means of economic control in the evolution of border trade spontaneously and necessarily outweigh rather than the money, finance, foreign trade and institutional policies. Economic control instruments include foreign exchange control, migration control, private sector foreign trade control, and so on. The most important common feature of these instruments is that they can be applied selectively and directly for almost all economic purposes, including border trade, as well as providing fast and precise results.

1. BORDER TRADE AND THE RIVER METAPHOR

Fahey compares the commodity chain consisting of natural resources and minerals to a river that changes frequently and says: "A river overcomes natural obstacles by carving new channels and reacts to human-induced deceptions by following new routes to reach new places. A river also has periods of low flow and periods of flood, which are opposite to each other. A calm river can facilitate trade and development, but a raging river can have destructive and deadly consequences." (Quoted from; Titeca, 2009.) The same metaphor can also be used for the general regional motifs of border trade. Because border trade is a phenomenon that changes its response when faced with external motivations such as security (conflict and peace) or economic policies (which have an effect on prices). Just like a river, it can find new paths to reach its destination, or it can completely stop going to certain places, or it can change its path (Titeca, 2009). Customs gates established at borders are similar to dams built on rivers.

In light of general knowledge, it can be said that at border customs points, each country's public authority can implement its own legal and bureaucratic practices for entry and exit from the country. Although international and supranational agreements (Schengen Agreement etc.) vary according to cyclical needs, they are focused on reflecting the most possible freedom or the least possible restrictions. The common aspects or purposes of border controls are generally to regulate legal and illegal immigration, to control (observe) the movements of citizens and infectious diseases, to collect consumption tax, to prevent the entry of prohibited goods, etc.

2. LIMITS OF BORDER TRADE

Here, it is focused on how border trade is intervened with control tools, also the relationship between border trade and taxation, foreign investments and costs, and that this form of trade is a cultural event.

2.1. Intervention in Border Trade with Control Tools

The state can limit or reorganize border trade through control tools that are related to foreign economic relations, provide direct intervention in the economy and differ from monetary and fiscal policies in terms of their structure. Thus, it can realize the basic goals of economic policy such as full employment, price stability, and balance of payments. Naturally, the state can also resort to monetary and fiscal tools in a package for these purposes.

As seen in Table 1:

■ i- “State imports”, which are the imports made by public businesses, namely public economic enterprises (PEEs) and economic state enterprises (ESEs) and ministries, are increased if there is inflation; and are decreased to close the current account deficit and secure domestic production (supply). If the state wants to provide domestic raw materials or intermediate goods cheaply, it should increase its imports; however, if it prevents the private sector from taking a share of this profit by establishing a monopoly on import profits and causes injustice in income distribution, it should decrease this.

■ ii- The state can control the amount of imports made by the private sector through quotas etc. that can be applied for a specific product or country. If there are balance of payments problems and/or expectations for the protection of domestic industry, “private sector imports” can be restricted.

■ iii- A similar application is valid for “private sector export control” that operates with quotas and licenses.

■ iv- In order to protect the country's foreign exchange reserves, establish the balance of payments, etc., the "exchange control" tool is used in the axis of foreign capital and tourist remittances.

■ v- If the amount of qualified labor that will work in the real economy is desired to be employed, brain drain from the domestic (inside) to the internation (outside) is prevented or brain drain from the outside to the inside is encouraged. In both cases, a careful "migration control" is followed.

Table 1. Matrix of using control tools in foreign economic relations

Control tools / ***Control purposes***	State imports	Control of private imports	Control of private exports	Exchange control	Immigration control
Full employment		↑↓(*)	↓		
Price stability	↑	↓	↑		
Balance of payments	↓	↑	↓	↑	
High growth		↓↑(**)	↓		↓
Supply guarantee	↓	↑	↑		↑
Notes: (*) Decreasing in externally dependent economies ↓; (**) Increasing to reduce external dependency ↑					

Source: Savaş (1996).

2.2. Informal Border Trade

When border trade is mentioned, informal trade usually comes to mind. Informal border trade consists of the following three categories (Table 2): The common findings and opinions of Lesser and Leeman (2009), who divided border trade in this way, can be summarized in the following few points:

■ i- The informal border trade sector (iBT) continues to be an important part of developing economies that are continuously increasing their gross domestic product (GDP). For example, the "iBT/GDP" ratio was estimated to be around 43% in Africa and South America, almost the same as the official sector, and around 30% for Asian economies, while the OECD average was 16% in the early 2000s. While this structure may be considered a short-term solution for poor households, it poses a serious threat to economic development in the long term. When its size in other continents is taken into account, informal border trade has become a serious global phenomenon today.

■ ii– There are a number of factors that explain why companies turn to informal trade. These are sometimes encouraged to avoid customs and regulatory trade when there are significant price differences between official and unofficial trade goods in importing countries due to high import and export customs rates for selected goods. Official trade goods are subject to complex, "divergent" or "opaque" foreign trade bureaucracy, which increases the cost of trade and encourages traders to avoid official procedures and customs. Informal border trade can arise due to import quotas or export bans or foreign exchange controls that completely block or prevent entry of certain goods. As a result, weak legal power operating at the border not only facilitates the formation of informal trade, but can also act as an important trigger for this trade. Because the arbitrary application of trade laws and regulations puts the bribery mechanism into action.

■ iii- It is a fact that in developing countries, informal cross-border trade can stimulate entrepreneurial spirit and regional trade in the short and medium term, provide food security for poor households, and increase earnings and employment opportunities. However, it should not be forgotten that in the long term, it can lead to negative economic development effects, and even marginalize (marginalize) countries identified with this trade (such as Sub-Saharan Africa) in regional and global markets due to unfair competition. On the other hand, legal trade facilitation measures taken by governments to reduce financial and bureaucratic costs in foreign trade can have a braking effect on informal trade.

Aung (2009) also touches upon the fact that informal trade activities have increased due to the licensing system and trade policies that tend to be restrictive. Many commercial agents, in addition to facilitating trade, play an important role in recording informal trade. These agents export and import on their own behalf for companies, which are not registered as exporters and importers and/or do not want to undergo the licensing process and most of them belong to ethnic groups, as in Thailand. Although Aung emphasizes that informal practices are not entirely illegal and evil, he states that some of these practices are in the "grey area" and/or are illegal activities according to local regulations. There are various costs and benefits in reducing these practices in a country. While there are still restrictions and limits in the official economy, any pressure on informal practices may cause more costs than benefits. Therefore, by reducing such restrictions and limits in the official economy, informal practices can be gradually eliminated, that is, gradually, in many cases.

2.3. Border Trade and Taxation

Border trade, like all types of trade, is an economic activity most often associated with taxes. Value added tax (VAT) and goods and services tax (GST) affect international trade within the double taxation regime and therefore the volume and nature of border trade. Because taxes are a cost for those who trade and consume. There is an inversely proportional relationship between tax types, rates and doses and trade and consumption activities, -while all other variables except one are constant- (ceteris paribus).

As highlighted in a report by the OECD Centre for Tax Policy and Administration (2008), taxation involving cross-border trade is a serious problematic. Namely:

■ i- There is a consensus that the definition of the place of taxation under a "pure consumption" test is impractical in many cases and that estimates ("jurisdictions, proxies") should be used as practical tools to define the place of consumption. In many cases, the place of consumption should be assumed to be the jurisdiction where the customer is located, as a "main rule".

■ ii- Many factors arising before the tax for "VAT-GST" may change in a particular place. For example; in the event of a producer, a customer, a supply and any tax, the definition of the jurisdiction should be the place of tax rule. The principles of neutrality, efficiency, flexibility, limitation and simplicity of tax are important for the tax mechanism that closely concerns producers and consumers.

■ iii- It is recommended that business customers make calculations for "VAT-GST" when they apply for business-to-business (B2B) transactions by using the tax shifting or reverse pricing mechanism in border trade or by assigning subjective values.

■ iv- The reverse loading mechanism has a number of key advantages. First, the tax authority in the country of consumption can change and implement consensual practices, because the authority has jurisdiction over the customer. Second, the responsibility for consent shifts from the producer to the consumer and is reduced due to the consumer's access to all details about the supply. Third, the consensual burdens (costs) are also low for the tax authority, because the producer is not expected to face tax liabilities (e.g. "VAT-GST" type taxes, audits, etc.) in the customer's country. Finally, the revenue risks, including tax, are reduced.

2.4. Border Trade and Foreign Direct Investments

Sally (2008), like many of her colleagues, is right in saying that the "Washington Consensus", which preached the most advanced liberalism, namely neo-liberalism, including all kinds of privatization and deregulation policies, was at its peak in the 1980s and 1990s; and that governments displayed a skeptical and protectionist stance regarding excessive liberalization when it came to foreign trade and foreign capital flows affecting strategic sectors.

According to him, border trade and foreign direct investment (FDI), in short, capital movements – unlike labor – are developing in parallel and freely: so much so that there is little difference in domestic and international transactions. Domestic prices of traded goods (to a lesser extent services) have approached world prices. While tariffs are simplified and reduced in the periods when measures are taken, at the same time export and import quotas, licenses, state monopolies and other non-tariff barriers are falling sharply. A similar situation is observed in foreign exchange controls and, increasingly, in convertibility, especially in foreign exchange account transactions. In the face of these developments, the entry of FDI into the country and its integration with domestic capital, affecting the domestic economy, would naturally be freed. Service sectors are also opening up to international competition due to the liberalization of FDI, privatization and internal deregulation. While trade and FDI freedom are high in manufactured goods, they are low in services. However, this freedom is delayed in the vital sector of agriculture. As a result, trade and FDI liberalism are broadly constituted as elements of the "stability and liberalism" package of the Washington Consensus and in the broader context of micro-macro market-based reforms.

Hoekman, Mattoo and Sapir (2007) emphasize that standard economic policy factors (for example, the resistance of interest groups that expect to benefit from protectionism) create a greater and faster barrier to liberalism and hence to FDI flows. Here they draw attention to the case of the European Union (EU), which is the world's largest exporter and importer of services (in proportional terms, accounting for about 25% of the world's exports and imports in the services sector), and which is also very open to FDI because it does not discriminate against multinational corporations. In its attempt to remove 'borders' in the area of cross-border trade and temporary movement of people, the EU faces strong opposition because of the progress it has made towards a single market in services.

2.5. Border Barriers and Border Trade Costs

International trade has long grown rapidly thanks to the gradual reduction of tariffs and quotas through successive rounds of multilateral trade liberalization. But this progress has exposed one of the remaining weak links in international trade that prevents countries from taking full advantage of open global markets: border bottlenecks created by inefficient, outdated, and complex trade procedures and formalities. Trade facilitation is assumed to reduce trade transaction costs by 1% of the value of world trade (OECD, 2009).

Anderson and Wincoop (2001) note the magnitude of border barriers and the fact that they significantly reduce trade. National borders imply a diversity of institutions, policies, and regulations that have economic significance. The importance of these policies becomes increasingly clear when a country is compared with regions within a country that are not separated by national borders. Because regions within each country are more integrated, experience more harmonious business cycles and more extensive risk sharing, trade more among themselves, and have faster convergence of growth rates and more similar inflation rates.

According to the same authors, some policies are designed specifically to build a series of barriers to trade: trade requires different agreements because of its inherent costs. Costs are generally divided into two groups: non-border-related costs are largely the natural costs of trade that arise from distance and the geographic irregularity that interacts with the most efficient transportation and communication technologies. Non-border-related barriers also generally reduce the impact of border barriers on trade and welfare. Most international trade policies lead to border costs that include rents in the form of tariffs. The rents are charged to the government through tariffs and reduced for the general public through taxes and expenditures. Export and import quotas also include rents that are charged to licensees. A country that hosts numerous indirect non-tariff barriers also provides rents for private benefits. Many border barriers arise from factors that have nothing to do with trade policy and do not create rents. Differences in language, culture, customs, and regulations all together impose barriers to trade. Some of these barriers (differences in regulations and product standards, etc.) can be relatively easily accommodated. Language and cultural differences may not be easily accommodated. Some barriers may be eliminated after some holistic measures, such as political integration.

Hanson and Spilimbergo (2001) examined the US economy, finding a link between sectoral shocks and border enforcement. National border enforcement is a key policy tool, and the US government uses it to combat illegal immigration. Their main finding is that in the western US, border enforcement is inversely related to relative price changes in the clothing, fruit and vegetable, and livestock sectors, and housing advantages. One suggestion is that authorities should relax border enforcement when demand for undocumented workers is high. The other suggestion is that border enforcement should increase when general labor market conditions in this economy are tougher, i.e., if illegal immigration is more than expected, the US government should tighten enforcement.

2.6. Border Trade and Culture

In an international workshop chaired by Kusakabe (2010), border trade was examined for the "Greater Making Subregion", abbreviated as "GMS countries", where China, Thailand, Cambodia, Vietnam and Laos, which have similar cultures in Southeast Asia, are clustered around the longest river in the region. This examination is important in terms of shedding light on the interaction between border trade and culture-related behaviors at the following two points:

■ i- The benefits of border trade are so many that not only border regions but also national economies gain various benefits. In some regions, border trade is controlled by states and therefore there is a “monopoly” in the form of private state initiatives. In some other regions, due to poor road/port and transportation conditions, only “barter trade” takes place in places close to the border. In some places, with the official opening of borders, opportunities increase not for large traders but for small traders. In the GMS countries in question, these opportunities also apply to rural women.

■ ii- In this context, the first approach may be related to the nature of borders: Despite the artificial borders created, borders indicate differences in language and cultural norms between neighboring countries, and this may create resistance among some women against border trade, whatever the purpose. Secondly, many settled people live in border towns, sometimes immigrants who tend to internalize or assimilate new cultural criteria, in relation to the native culture and traditions of local people in their own villages. Thirdly, at the level of personal relations with the state, state sovereignty decreases in some border regions, which explains why borders are seen as dangerous places where control is reduced. This situation affects the general behavior of people living in border regions as well as their behavior with neighboring countries.

3. BORDER TRADE IN TURKEY AND THE WORLD

The advanced and institutional form of border trade is economic integration. For example, border exchange activities are strong in the North American Free Trade Area (NAFTA) and the European Free Trade Area (EFTA), as well as in countries that are members of unique political economic integration such as the European Union (EU). Of these, NAFTA has greatly facilitated border trade by reducing a number of customs tariffs and restrictions. Thanks to this, border trade of several billion dollars is carried out daily between the USA and Canada alone.

The BRICS (Brazil, Russia, India, China, South Africa) and MIST (Mexico, Indonesia, South Korea, Turkey) country groups, each of which has become popular as an "emerging markets" in the world, are known for numerous trade policy reforms, including border trade.

Sally (2009), in a report published by the OECD, examined the important problems these countries face now and for the future in this regard and obtained the following conclusions:

■ i- These countries are gradually removing border barriers to trade and are opening their doors to direct foreign capital (FDI). However, one of the biggest problems they have to deal with is to implement domestic reforms that will improve trade.

■ ii- There is a need for a clear link between domestic economic policy and international reforms, namely commercial policies that must be strongly matched with competition measures to improve the domestic business climate.

■ iii- Trade policy should be seen less through the prism of trade agreements, international organizations and the foreign policy agenda, but more through the prism of the domestic economy. Because trade policy has so far been more entangled with domestic policies and institutions.

■ iv- There should be more policy transparency. For this purpose, transparency boards have begun to be established on the basis of liberalism. Trade policy making is generally not transparent, and the BRICS-MIST countries have also been affected by this.

For Turkey, border trade is also a form of application of preferential trade agreements in accordance with an important economic policy goal such as developing regional trade potential. As follows (Orhan, 2000):

■ i- Turkey is a country that conducts border trade with 97 gates and 270 customs. According to this data, it is one of the countries with the most border gates in the world.

■ ii- Turkey has been conducting border trade since 1978 by increasing the variety of products and countries.

■ iii- The dominant product subject to border trade is petroleum (diesel oil), which is known for its quality problem. In addition, while the domestic agricultural sector experiences competition problems due to agricultural products brought from neighboring countries, the state also suffers from various tax losses due to the informality of border trade.

■ iv- Border trade has caused some businesses and individuals who conduct this trade illegally to become artificially rich.

Figure 1, which includes Turkey and can be considered as a kind of "world border trade performance" map, explains how countries performed in the early 2000s when both border trade and other business indicators were used. In the figure, various countries with different levels of development are positioned above and below the 45-degree line: Those below the line are countries that attach less importance to border trade according to business facilitation criteria, while those above the line are rated as countries that attach more importance to border trade facilitation (Duval and Utoktham, 2009).

The countries mentioned in Figure 1 are divided into three groups according to their characteristics:

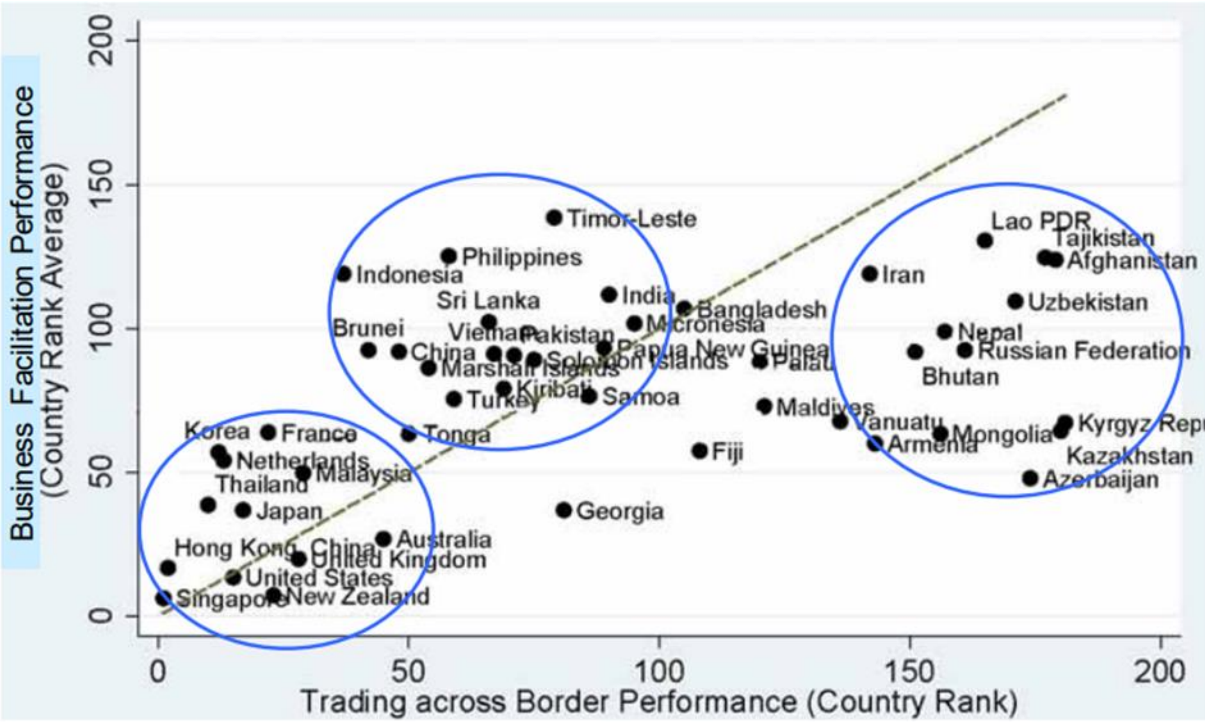
■ i- Developed and advanced developing countries that have achieved a good balance between various trade-oriented and general business facilitation criteria, and thus do their best according to both border trade and other facilitation criteria;

■ ii- Developing economies, mostly middle-income, that give more importance to border trade than to general business facilitation criteria;

■ iii- Landlocked countries and transition (former Soviet) economies that have not demonstrated the ability to develop their own border trade.

In general, this graph suggests that countries that strive to reach the level of developed countries in the first group aim to achieve the best balance between border trade facilitation and business facilitation.

Figure 1. Country ratings according to business facilitation performance in border trade



Source: Duval and Utoktham, 2009.

On the other hand, it should be emphasized that advanced digital technologies have the potential to increase the efficiency of customs processes and facilitate the flow of goods across borders. The joint publication of the World Customs Organization (WCO) and the World Trade Organization (WTO) (2022), using the results of the 2021 survey, reveals that customs authorities face certain opportunities and challenges when using technologies such as blockchain, the Internet of Things, big data, data analytics, artificial intelligence, machine learning and 5G. In this context, the Trade Facilitation Agreement (TFA), signed by WTO members and entered into force in 2017, is of particular importance for the world trading system, as bureaucratic delays at borders are burdensome and add to trade costs, and therefore trade facilitation (i.e. simplification, modernization and harmonization of import, export and transit processes) is of particular importance (WTO, 2024).

CONCLUSION

Duffield [2000] emphasizes the concept of transborder when he argues that the world is in a neoliberal 'hyper-globalization' process, the main characteristics of which are deregulation and privatization. Cross-border trade is based on large-scale commercial transactions involving legal/illegal goods, although it may use additional legal or informal tools. There are some characteristic factors that distinguish cross-border trade from the dominant production-finance economy. For example, rather than promoting integration, the interests of the social and political elites who control cross-border trade are generally against economic regionalism. The main interest of these elites lies in maintaining differences and different forms of control. The dynamics of cross-border trade are not so much in promoting free marketization as in promoting and diversifying informal protectionism.

The general characteristics of cross-border trade as Duffield importantly emphasizes suggest the possibility of a similarity between peace economies and war economies. In transforming and developing countries, the differences in peace-war conditions are relative rather than absolute. Apart from the existence of open violence in war economies, peace and war economies have more similarities than differences. Some of the similarities are as follows: High unemployment and underemployment; fragmented and corrupted public administration; high degree of autonomy among political players; parallel, cross-border or criminal activities within the economy, etc. These structures are valid in peace economies as well as in war economies. In some countries or regions, the violence caused by cross-border trade may become a kind of "economic policy option" at the hands of some groups. In some places, the control and manipulation of cross-border trade has become a serious part of the definition of alternative elite economic policy strategies after World War II. This includes fundamentalist, ethno-regional, and resource-based options. The anti-free market and semi-feudal tendencies associated with cross-border trade have found their violent expression in contemporary post-nation-state forms of conflict.

What policy recommendations could governments make on the subject? In order for official trade to flow more and create higher added value than unofficial border trade, especially in important goods, Lesser and Leeman (2009) make the following recommendations:

■ i- The size, characteristics and motivations behind unofficial border trade should be analyzed very well (diagnostic stage);

■ ii- The costs of official trade should be reduced and effective border controls that will ensure compliance with the entry of regulated trade should be developed (policy stage);

■ iii- A "Simplified Trade Regime" should be adopted for low-value shipments (bills of lading) (implementation stage);

■ iv- Technical assistance and quality support services should be provided to official traders, and full trust should be built between the private sector and border agencies.

In short, it can be said that in increasing the foreign trade volume of countries and increasing border trade, which has an important share in the realisation of various macro economic purposes (growth, employment, etc.), it can be said that special control tools that take into account the socio-economic and socio-political dynamics specific to the places involved in border trade, rather than general economic policies, produce relatively fast and precise results.

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