African trading brokers in China: The internet, Covid-19 and the transformation of low-end globalization

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Abstract
African trading brokers in China buy knock-off or copy goods and move them through customs via bribery to African ports; this trade, although illegal, brings desired global products to Africa. This paper, based on interviews with African trading brokers, examines how the internet and Covid-19 have affected their trade. African customers can now find out the accurate prices of goods; computerized customs regimes make bribery difficult; and Covid-19 has raised shipping costs. While the informal economic arrangements of these trading brokers will probably continue despite policymakers’ efforts to eradicate them, China may no longer be the source of their goods.

KEYWORDS
China–Africa trade, Covid-19, low-end globalization, the internet, trading brokers

1 INTRODUCTION

This paper, written on the basis of 14 extended interviews with sub-Saharan African trading brokers conducted in 2020–2022, explores how these brokers’ negotiations with their African customers and Chinese suppliers have been transformed by the spread of the internet as well as by the restrictions of Covid-19. There is an extensive literature on the informal economy (see among many other researchers Charmes, 2012; Chen & Carré, 2020; Hart, 1973) and on its expansion across national borders, labelled by some scholars as ‘globalization from below’ or ‘low-end globalization’ (Mathews, 2011; Ribeiro, 2006). The literature on informal cross-border traders emphasizes the importance of personal human connections and face-to-face interactions. However, over the past few years, because of the proliferation of the internet and its effects on consumers and customs regimes, and because of the restrictions brought about by Covid-19, face-to-face interaction has become limited or impossible. How does this impact low-end globalization as conducted by these traders between Africa and China? This question is significant because much of the
world's trade is informal (Cantens, 2012), and the dominant source of manufactured goods in the world's informal trade has been China (Mathews et al., 2012). How has this trade been affected by the advent of the internet and Covid-19, as exemplified by these trading brokers?

The paper first discusses the literature on Africans in China, and then on the informal economy and low-end globalization/globalization from below. This is followed by a discussion of methodology, explaining how the trading brokers interviewed in this paper were located and interviewed. The paper then examines the pre-internet relation of these trading brokers to their African customers and Chinese suppliers; and it explores how, in these trading brokers' views, the internet has empowered African customers by enabling them to find out the actual prices of goods but has also enabled customs regimes to combat the corruption that keeps trading brokers' prices low for their customers. It then examines the multiple effects of Covid-19, particularly in raising shipping prices, making China currently unsustainable as the source of trading brokers' goods. Finally it considers the larger implications of what these trading brokers have indicated, discussing the future of informal China–Africa trade, and of low-end globalization itself. This paper's contribution to the literature on international development is to profile the business dealings and strategies of African trading brokers in China at a time of ubiquitous internet usage and Covid-19 and also to reveal how these trading brokers see their work as benefitting their African customers and societies despite its illegality, a perspective that is self-serving but also useful in understanding why their trade exists and what its future may be.

2 | AFRICAN TRADERS AND TRADING BROKERS IN CHINA

As much academic literature has discussed, tens of thousands of African traders have been coming to South China over the past two decades (Bodomo, 2012), although their numbers have fluctuated by the season and year (Castillo, 2013); they have been responsible, along with Chinese in Africa (French, 2014), for bringing the goods of globalization to Africa (Mathews et al., 2017). The majority are men although women also engage in this trade (Huynh, 2015); some 30% of traders are female (Mathews et al., 2017, p. 57). Traders come from virtually every country in sub-Saharan Africa. Some remain in China, legally or illegally, in cities such as Guangzhou (Castillo, 2015; Haugen, 2012); but most spend only a few weeks on each trip to China before returning home, sending their goods back by container or air freight, or sometimes in their own luggage. They buy a vast range of goods in China, from mobile phones to clothing to computers to furniture to construction materials. These traders have not generally ordered goods online because they have believed that there is a far higher possibility of being cheated and sent sub-standard goods if the buyer is not there in person; they have felt that they must physically travel to China to negotiate and buy their goods or at least rely on their fellow Africans who work in China as brokers and logistics agents to help conduct their trade.

This paper focuses on those Africans who have remained in China on a long-term basis; in this paper, they are labelled trading brokers, for while most engage in their own trade, they also serve as facilitators and brokers creating linkages between African traders and Chinese suppliers. In their seminal review article on brokerage, Stovel and Shaw (2012, p. 141) define brokerage as ‘the process of connecting actors in systems of social, economic, or political relations in order to facilitate access to valued resources. The crucial characteristics of brokers are that a) they bridge a gap in social structure, and b) they help goods, information, opportunities, or knowledge flow across that gap’. Brokerage, as they maintain, is ‘the process of linking otherwise unconnected actors’ (p. 141). African trading brokers in China have been typically different from the ethnohistorical brokers portrayed by de Jong (2018), in that they may not know intimately the different cultural worlds they are linking through their trade; most of these African trading brokers do not speak much Chinese. Nonetheless, what distinguishes these trading brokers from their fellow traders in their home societies is their knowledge of how to do business in China. Haugen (2018) and Mathews (2015b) have discussed African logistics agents in Guangzhou as brokers because they not only send the merchandise of traders back to their home countries but also enable their customers to navigate the foreign world of Guangzhou; see also Röschenthaler (2021), Marfaing and Thiel (2015) and Cissé (2015) for their different discussions of African brokers in
China. This paper updates their analyses by considering how African trading brokers in China have reframed this business in a new era of widespread internet usage and of Covid-19. The paper refers to traders as those who travel back and forth between Africa and China for their business, buying goods in China and shipping them home. It refers to trading brokers, interviewed in 2020–2022, as those who have lived in China for an extended period and have served as brokers between African traders and Chinese suppliers, and sometimes logistics agents, as well as traders acting for themselves. Because they remain in China or in Asia, their own trade is not generally seen as being in direct competition with that of the African traders who consult them.

3 | LOW-END GLOBALIZATION

There is an extensive recent literature on the informal economy (e.g., Chen & Carré, 2020), broadly defined as economic activity unregulated by government, such as that of street vendors. This literature also explores the informal economy's expansion across national borders, through, for example, the labour of those from the Global South in call centres and in software development (Rani, 2020, p. 89), and in cross-border trade emanating from China to different regions of the Global South (Karrar, 2019; Müller, 2018). Scholars focusing on informal global trade have discussed this activity as ‘globalization from below’ or ‘low-end globalization’ (Ibañez-Tirado & Marsden, 2020; Mathews, 2011; Mathews et al., 2012; Müller, 2018; Ribeiro, 2006). Unlike high-end globalization practiced by large corporations, low-end globalization typically involves small groups of friends or family engaging in illegal transactions involving goods crossing borders. This is globalization as practiced by traders who buy knock-off or copy goods and get them through customs, with the help of brokers, via bribery. Many of the activities engaged in by these traders are perfectly legal business dealings (Ibañez-Tirado & Marsden, 2020; Mathews, 2020), but at crucial points, illegal transactions are practical necessities.

Scholars ranging from de Soto (2002) to Chen (2012, p. 20) have argued that the informal economy must ultimately be formalized in order to create inclusive, sustainable and enduring development; this argument has also been made in terms of globalization (Naím, 2006). Other scholars (Mathews et al., 2012) argue that there are social benefits to this form of globalization and that policies designed to end it will never succeed as long as poverty and inequality remain. The trading brokers appearing in this paper facilitate low-end globalization between China and Africa; they strongly insist that the role they play is positive for their home societies and that they are making the lives of their customers better.

Low-end globalization requires brokers who can be trusted by their customers because institutional safeguards such as laws and contracts are often irrelevant and inapplicable; it is only through trust that cheating can be minimized. The primary job of these trading brokers has been receiving inquiries and orders from African traders, negotiating with Chinese suppliers as to quality and price, overseeing the manufacture and shipment of goods and negotiating the passage of these goods out of China and into African ports. The role of these trading brokers is now being threatened by technology: The internet may create disintermediation, defined as ‘the potential of the internet to threaten the existence of middlemen, brokers, and intermediaries in any commodity chain and to reorganize economic spaces and relations’ (Graham, 2011, p. 223). Disintermediation is a complex process, but the brokers interviewed for this paper worried about its effects. As one said, ‘who needs us when you have got Alibaba?’ The internet may become the broker.

Stovel and Shaw (2012, p. 153) discuss how ‘brokers often benefit from being in the middle of otherwise unconnected actors’, since they can leverage their knowledge of both sides against actors who do not possess that knowledge. African trading brokers have been in a comparatively weak position in China, exploited by various Chinese suppliers and other agents, with many recounting how they have sometimes been cheated (Mathews et al., 2017, pp. 62–66); but they are in a strong position in Africa, where they are likely to know more about the goods they sell than do their customers. Their position within the trade routes and nodes of low-end globalization depends upon this
asymmetry of knowledge. However, widespread internet use by African populations has been changing the relation of these trading brokers to their customers.

4 | METHODOLOGY

In summer–fall 2020, and again in fall–winter 2021–2022, 14 interviews were conducted by the author with 12 African trading brokers. These interviews, because of Covid-19, were held via Zoom. The author has known most of these trading brokers for 6–10 years and has extensive interview transcripts with them and participant observation of their activities in the years 2011–2017. Because these trading brokers are engaged in illegal activities such as bribery and sending copies, a key criterion for their selection as interviewees has been prior acquaintance; a trading broker interviewed for the first time on Zoom by an inquiring researcher would be very unlikely to be forthcoming. This prior knowledge, as well as a sense of trust between author and interviewee, were the most essential factors in interviewee selection; the need for confidentiality due to illegal behaviour is why interviewees are identified only minimally.1 Although their positions are individual, the trading brokers quoted in this paper are in crucial respects representative of the hundreds of African trading brokers in South China in recent years.

Questions in the 2020–2022 interviews were, ‘How has your experience of trade changed since you were last interviewed in terms of your African customers and your Chinese suppliers? In what ways has the internet changed your business dealings? How can you trust what you find on the internet? What platforms in China do you make use of? How has Covid-19 changed your trading relations with customers and suppliers? In what ways has Covid-19 helped your trade and in what ways has it hurt it? All in all, how have the internet and Covid-19 affected your business in recent years as compared to earlier years?’ All interviews were transcribed; then, quotations were selected and sorted into different intersecting sets of themes for analysis in the paper’s text. Transcriptions were all thoroughly anonymized to make interviewees unrecognizable.

A strength of this paper is that because these trading brokers have been interviewed for many years, a longitudinal perspective can be provided, enabling an exploration of how the internet and Covid-19 have been transforming low-end globalization as practiced between China and Africa. A weakness is that its recent interviews were conducted via Zoom; these brokers could not be observed in the conduct of their work at present. Beyond this, these are the perspectives of long-term trading brokers themselves; the views of their customers in different African societies or of their Chinese suppliers do not appear in this paper. These trading brokers are all male; female voices do not appear because, although a significant proportion of traders are female, long-term African trading brokers in China—those who have remained in the country on an extended basis—are overwhelmingly male.

5 | TRADERS AND EXPLOITATION: CUSTOMERS AND SUPPLIERS IN AN ERA BEFORE THE INTERNET

African countries and regions obviously differ in their forms of market. In Eastleigh, a Nairobi neighbourhood that is a centre of the clothing trade in East Africa (Carrier, 2016), a Somali trading broker said in 2020 that ‘there is a very low profit margin because there are so many … goods brought in. You have to buy a huge quantity and sell with a very low profit margin. It’s cut-throat competition’. Competition ensures minimal exploitation of customers, he maintained: ‘If you do not sell cheap, no customer will buy from you’. However, in other areas of sub-Saharan Africa, where China-made goods have been scarcer and where there has been less competition, such as in more rural and isolated areas, traders have often raised prices to whatever customers are willing to pay; this was long the case in more isolated areas of the Congo, Nigeria, Uganda and Somalia, among other countries, interviewees maintained.

Overwhelmingly, traders and trading brokers insisted that their job involved helping their countrymen and women to obtain goods at a fair price that they otherwise could not obtain. A Ghanaian mobile-phone trader
maintained in 2009, ‘Of course we are helping our country in our trading. Before, only a very tiny number of Ghanaians had mobile phones, but now almost everyone does. That’s because we bring them the phones’. These phones, typically copies or knock-offs, may be of relatively low quality, but they do generally work, at least for a while. It was far better for customers to have these phones than to have no phones at all, this trader maintained: He is helping his country develop, he insisted. Even if traders may sometimes make substantial profit, they provide considerable overall benefit to their customers, they maintained; and in this, they felt that they have attenuated social inequality by providing global goods to customers who otherwise would not have been able to afford them, even if these goods may not be durable. These traders and trading brokers felt that they were playing an essential role for their societies, not least by providing the mobile phones that enable their customers to connect to the internet.

For traders of certain kinds of goods—for example, clothing that a trading broker has designed herself and gotten manufactured in South China to her specifications—prices have long been set freely. Traders have not considered this to be exploitation because, in introducing their goods to market, they are taking risks; if a trader has sourced a sought-after item, then they can indeed make a large profit, and this is seen as legitimate. Furthermore, if a trader can find a customer, or a village of customers, who are ignorant of the true cost of a good, then chances are high that those customers will pay inflated prices. It is unusual to find African traders in south China willing to openly admit to cheating customers. As a West African trader said in 2008, ‘I get good mobile phones for my family and friends in the city, but cheap copies for villagers. They do not know any better’. In interviews in 2020, while trading brokers firmly denied cheating, they also emphasized that their purpose was to make money. As an East African trading broker said, ‘This is business, not charity. We do not give things away for free’. A West African trading broker maintained, ‘If you make face masks a hundred times more expensive at a time of Covid-19, that’s immoral. But if you make it a quarter higher [25%], that’s fine. You can lose money through bad luck, so when luck is good, take all the market will bear’.

These trading brokers are generally devout Christians or Muslims, insisting that their religious beliefs prevented them from cheating customers. Beyond religious belief, reputation is essential: Trust is what makes their position as trading brokers possible. Those who are cheated cannot easily use the courts in China or in African countries to get their just due, but they certainly can cast aspersions on the person who has cheated them. As an East African trading broker said in 2014, ‘If I cheated someone, they could not go to the courts anywhere. But they could … tell everyone I know back home, “You know that guy in China? He cheated me; he’s a crook. Watch out!” And my reputation would be ruined’. A trader can cheat customers only if he will never deal with them again, and if word of cheating will not spread. If these conditions are met, no doubt many traders would have little compunction about exploiting their customers. However, now, because of the internet, these conditions are increasingly difficult to find.

If traders were generally in a superior position over their customers back in Africa due to their greater degree of knowledge, they have been in an inferior position to their suppliers in China. Suppliers can cheat traders in multiple ways, most commonly by shipping different or inferior goods than were earlier agreed upon. Because African traders in Guangzhou often were present for only weeks due to the limited duration of their visas, they were dependent upon trading brokers who remained in China; these trading brokers could follow up on the traders’ manufacturing and shipping of goods. But these trading brokers, because they were reluctant to ever make use of Chinese courts, were also in an inferior position to Chinese suppliers; all they could do, if an order was seen to be unsatisfactory, was to cancel the contract and hope to get their customer’s money back. All the trading brokers in this paper have largely trusting relations with most of their Chinese suppliers; but all were also aware of the risk that their business necessarily entailed.

6 | HOW THE INTERNET HAS CHANGED CROSS-BORDER TRADE

The internet has had varied and multiple effects on social life in different African societies (Helle-Valle & Storm-Mathisen, 2020), but the ethnographic literature has not discussed how the internet affects prices of cross-border
goods. Every trading broker interviewed in 2020–2022 maintained that customers in Africa have become more sophisticated. In the pre-smartphone era, there was a temptation for traders to cheat their customers because it could be done so easily: Customers had no way of readily finding out the price of goods. In recent years, however, mobile phones have become ubiquitous in most of sub-Saharan Africa. The internet on these smartphones can quickly reveal the price of goods; and even if a customer does not use the internet, they will know someone who does. As a Somali trading broker said in 2020:

Now, even people in the countryside understand the price of things. In Somalia now, even the people herding camels have mobile phones. They'll message one another: ‘Hey, have you seen the camel I've lost?’ People are connected. Somalis may be poor, but they are not isolated from the world! With everyone connected to the internet, you really cannot cheat people easily. Most of the time [even if they do not know prices themselves] they'll know a family member they can ask, someone living in the city.

A West African trading broker spoke in remarkably similar terms in 2020: ‘The internet has made cheating much more difficult than it was a few years ago. Even in remote areas, people are connected. Even if they themselves might not know, there's someone in the family—a son or a daughter—who would know about mobile phones, who can check out prices’.

This was also sometimes true before the emergence of the internet. An older East African trading broker recounted in 2020 how ‘in the late 1990s, I was in a remote coastal village; I asked a fisherman who was selling shark fins that were drying on the beach how much a kilo of shark fin would cost and he said US$50. He knew the price in Hong Kong! He'd learned it from others in the village, who had travelled. It was very difficult to buy from him because of his knowledge. However, this was a rare occurrence in the 1990s, and this trading broker vividly remembered it. Today, this knowledge of prices has become not the exception but the rule.

Traders still cheat customers if the opportunity arises. As a West African trading broker maintained in 2020, ‘Just because someone has a phone and enjoys social media does not mean they check the prices of goods—they might not have any knowledge about business matters; they might not know how to check prices online’. An unscrupulous trader can still take advantage of ignorant customers. However, these trading brokers said that in much of sub-Saharan Africa, because of the widespread presence of the internet, finding a general class of ignorant customers—‘people who live in villages’—is no longer possible (see World Bank, 2021 for comparative internet penetration in sub-Saharan African countries).

The widespread use of the internet has also changed the relation of African traders to Chinese suppliers. Traders have long maintained that they must come to China and trade in-person with suppliers because they could not trust the internet. Suppliers could be from non-existent companies or could send them inferior goods; if they were in Africa, there was little they could do about this practice. Alternatively, some traders relied on African trading brokers to do business for them. However, it has become possible for African traders to do more reliable business with Chinese suppliers using only the internet. As a Kenyan trading broker said in 2022:

If you are a buyer in Africa and get cheated, Alibaba will go after the cheaters. If I buy T-shirts through Alibaba, I do the payment through the Alibaba system, so that Alibaba will charge me 15%. But the payment is secure. Yes, you can get refunded even back in Africa, and they may penalize the seller. Of course, it's very tough to prove this if you are back in Africa, but there is a system in place.

However, most African traders do not take such expensive precautions but simply use the dominant Chinese social media application WeChat. As this broker said, ‘Customers have become a little more sophisticated than they used to be in using computers and mobile phones. But at the end of the day, most just use WeChat; you do not need to be computer savvy to do WeChat communication with your supplier!’
All these African trading brokers emphasized that the cheating of traders by suppliers has increased because of the internet. An East African trading broker related in 2021 one such incident:

I was approached by a guy who wanted to buy products in a company based in Hong Kong; they were asking him to send the money by TT [telegraphic transfer]. He asked, ‘Can you do due diligence on this person?’ We went there and found that the address was of a building under construction—there was no company. No, it wasn’t necessarily a mainland Chinese trying to cheat him—it could have been anybody anywhere in the world, somebody sitting in Lagos!

The internet remains less trustworthy than in-person communication in trade; this, along with tightening visa restrictions towards Africans from certain countries (Haugen, 2018, p. 58), has made those African trading brokers who remain in China and can serve as intermediaries between African traders and Chinese suppliers more important. As a West African trading broker said in 2022, ‘If you reach out to a company, you might pay and never get anything. A website can be created by anyone; it’s just a scam. So would you rather take that risk, where there is no way you can get your money back, or go through me?’ Trading brokers like this one maintained that the internet has increased their business with African customers, in that while their internet-using customers remain at home, they themselves can engage in inspections and maintain face-to-face relations with suppliers. However, trading brokers also maintained that the internet has had less beneficial effects on their business, particularly in customs regulations.

7 | CUSTOMS, CORRUPTION AND THE INTERNET

A significant proportion of the goods sent by traders from China to Africa are copy goods, made clandestinely in China and illegally bearing the logo of Samsung, Apple or Nike or some other well-known company. Copies can generally get through Chinese customs through selective bribery of specific customs officials (Mathews, 2015a); copies, as well as other goods, also get through customs in various African countries through bribery of customs officials. This is well recognized; see, for example, Bensassi and Jarreau (2019), who find that 80% of informal cross-border traders in Benin pay bribes. What is less noted is that the effect of bribery is not to raise the prices of goods for customers, but rather to lower prices. Typically, trading brokers sending goods to various African countries will bribe customs officials with an amount of money far less than official duties would require; their ability to get this done is a key part of their skills as brokers. Their bribes may be bad for their country in failing to add money to its tax coffers but good for customers. Tax duties are passed on to the customer; if the trading broker does not pay tax duties but a cheaper bribe instead, then the goods the trading broker sells will be cheaper, and the customer will benefit. Customers know these goods are copies but buy them because of their cheaper prices.

There are of course different rates of taxation and other payments, formal or informal, in different sub-Saharan African countries, based in part on different governing ideologies, just as there are different degrees of corruption (Warf, 2017), not least in customs administration in ports (Fjeldstad et al., 2020). Trading brokers maintained that in Tanzania and Ethiopia, where extensive bureaucracy requires many licenses, corruption at customs was less prevalent than in countries such as Kenya or Nigeria, which retained considerable trading duties, but where it was more possible to find a customs agent unwatched who would be willing to take a bribe. One West African trading broker with customers in multiple countries described his technique as follows:

If I am going to send goods to a country, I must know someone in that country that I can trust. Before I send, I ask, ‘Can you find someone that works in the airport or the port of entry with whom we can have an agreement?’ We bribe the person, and when the goods arrive, he or she will clear it out for us without any headaches. You can trust the local person that you work with because you are giving
him 10% of the profits, but only if the expected profit margin comes through. So it’s not to his advan-
tage to rip you off.

However, the situation at customs has been fundamentally changing over the past several years. An East African trading broker described in 2020 what has happened:

The Kenyan government is trying to overcome corruption by streamlining their payment system and making it more transparent. For example, if your container is arriving in Mombasa next week, you apply for release through customs, go to the customs website and fill out the forms, get the printout of the fees you have to pay, and go to the bank and deposit it. You cannot get away with not paying duties—you cannot bribe anymore. You can still send copy goods, but you cannot bribe customs officials to get them through.

He explained that a 40-ft container of clothing with goods worth US$250,000–$300,000 would be taxed at a flat rate of US$40,000. This was not a ridiculously high duty, he felt, but still onerous: ‘Kenya does not manufacture any garments, so why have such high duties on imported garments?’ He noted that customers were also unhappy: ‘Even non-brand items, we are paying the full duty now. Because you cannot bribe customs officials, prices are higher. There are a lot of complaints from customers, saying that our goods are more expensive’.

This intolerance of bribery is only true for customs, this trading broker maintained, at the port in Mombasa and the airport in Nairobi. ‘In other areas in Kenya, wherever you can get away with bribery, you do it. Paying a policeman off to let you drive without a license, of course that goes on’. He was convinced, as were most of the trading brokers I spoke with in 2020, that this new taxation transparency would not help ordinary people: ‘No, the money I pay will not help Kenya in any way—it will go into someone's Swiss bank account. Making customs more transparent, as they have done, is simply a way of allowing rulers to get richer. All the money will end up in corrupt leaders’ pockets’.

It appears that this trend towards paying customs duties online is spreading throughout much of Africa. A Somali trader said,

Somalia is also getting harder—they want to make the payment system at customs more digital; now, people cannot get away without paying tax at customs. You have to register on-line, go to the bank and pay for your goods—you cannot bribe—it’s very different now. Most African countries are going towards this system. In the future, it may be like that in the Congo as well, and Nigeria, too.

According to the trading brokers I spoke with in 2020, corruption has contributed to the eradication of social inequality by enabling poorer Africans to be able to get goods such as smartphones at cheaper prices; corruption has also significantly contributed to the globalization of Africa, these trading brokers maintained. However, this era of easy corruption may be ending. Ironically, the internet connections that have enabled customers to no longer get cheated by traders charging high prices have also led trading brokers to no longer be able to bribe customs officials and provide goods for customers at low prices. These trading brokers claim, self-servingly, that leaders now pocket the profits that neither customers nor brokers nor customs officials are able to enjoy. The extent to which this may be true is unclear, but the implications of their claims are revealing. The internet is apparently lessening cheating and corruption at lower levels of trading, enabling customers to be empowered, and now customs regimes to be empowered at customers’ expense. However, at least according to the trading brokers I interviewed, while the internet may be removing cheating at a lower level, it leaves it untouched at a higher level.
These changes taking place because of the internet have occurred largely over the past 6 years up until the present, as the internet has become more common among African populations with smartphones, and, more recently, the internet has become more widely used in the customs regimes that goods must pass through. Over the past 2 years, Covid-19 has created still another new environment for trade. Covid-19 has had a very significant effect on the informal economy in sub-Saharan African societies (Schwettmann, 2020), and this has affected the global trade of these trading brokers as well, simply in that their customers have recently had less money to buy the goods that trading brokers offer; but there have been other, more specific effects.

Most obviously, given China’s Covid-19 policy, African traders, like almost all foreigners not living in the country, cannot enter China: the country remains inaccessible. Predating Covid-19, there was a concerted effort to remove Africans residing illegally in Guangzhou (Lan, 2015), and there were severe new restrictions set forth on other African residents (Montagner, 2022). In April 2020, Chinese Covid-19 policies resulted in discrimination against Africans in Guangzhou (Castillo & Amoah, 2020; Human Rights Watch, 2020), exacerbating the sense among Africans in Guangzhou that they were no longer welcome in China (Zhang & Rui, 2020). One trading broker interviewee recently left China, seeking greener pastures in Vietnam; another now resides in Malaysia.

This is the most obvious effect of Covid-19 among the African trading brokers I interviewed, but there are major additional effects. African trading brokers in China told me in 2021 that cheating, already on the rise because of increasing reliance on the computer rather than African traders’ personal visits to China, had gone up further in an age of Covid-19. An East African trading broker running a company in Guangzhou explained in 2022:

Because no customer will be able to come because of Covid 19, of course there’s cheating, much more than there used to be. I’ve seen three cases in the last two weeks, someone saying that they have sent money and the supplier disappeared. I tell them, ‘There’s no way you can recover your money. Forget about it’.

Covid-19, like the emergence of computer-based trade, has had the potential to increase the business of those trading brokers who remained in China. African customers who could not travel to China and who did not trust Chinese suppliers contacted through the internet could instead rely on a trading broker in China, often from his or her own country, to source and handle an order. However, this potential increase in business has been offset by the decline of business caused by Covid-19 and other factors. A Kenyan trading broker said in 2022,

Because of the droughts in East Africa as well as the Covid economic downturn, business is not as booming as before. Our customers need buyers in Kenya. If there’s a drought in the country and villagers are unable to buy anything and cannot even travel within Kenya because of Covid restrictions, how do you sell your products: there are no buyers! Covid and the drought—you have a double barrier.

Beyond this, Covid-19 has led to a great increase in the cost of freight. An East African trading broker said, ‘The cost of freight has gone so high that it sometimes does not make any sense to ship. Unless the freight forwarding fees go down, this business has no future’. A Ghanaian trading broker said,

Prior to Covid, I made an inquiry in China for one of my customers who wanted to buy an excavator tractor, so I made a contact in 2020. The cost of the 40-foot shipping container to Ghana was US $4600. But last year the cost of the container had risen to US$17,000! When I talked to the shipping agent, she said, ‘You know the situation. Because of Covid, containers are very hard to get’. You cannot do business with these prices—so many businesses have closed.
My interviewees offered various explanations for why this was taking place, ranging from absence of available containers, to mass absences of workers due to Covid-19 at ports such as Los Angeles, to theories of how shipping lines are using Covid-19 as an excuse to raise prices. Analysts set forth further explanations worldwide (Page, 2021) and particularly in China (Sun, 2021), showing how supply-chain bottlenecks, as well as China’s restrictive Covid-19 policies, create massive delays in shipping times and rises in shipping prices. The result is that many African customers have stopped buying goods from China and instead are buying goods from Dubai or Turkey, shorter distances requiring lower freight costs. A Somali logistics agent in Guangzhou spoke specifically: ‘A 40-foot cube container costs about US$4000, Istanbul to Mogadishu; but Guangzhou to Mogadishu costs $12,000. If somebody can travel to Dubai or Istanbul, why should he bother to come to Guangzhou?’ Aside from this difference in price, Turkey and Dubai are open to businesspeople coming in, as China is not. As this Guangzhou logistics agent said, ‘I’ve lost 30% of my customers because of this’.

This has led some of the trading brokers to wonder about the future of the China–Africa trade. As a West African trading broker said in 2022,

China may no longer be the factory of the world. Most shipping lines belong to Europeans and Americans. Why doesn’t China produce more of their own shipping lines and reduce prices? Does China want to be closed and do business by itself? It’s like China does not want to export anything to anyone anymore! If freight prices do not come down, then the Africa-China trade will be gone forever.

This questioning has been echoed in media reports asking ‘If China no longer wants to be the world’s factory, who will take its place?’ (Bain, 2021). China has long been the source of the goods of low-end globalization, but the future is unclear.

9 | DISCUSSION: THE END OF LOW-END GLOBALIZATION?

This paper has discussed, based on interviews with African trading brokers, how the internet has empowered customers to avoid being cheated, how the internet is enabling customs regimes to sidestep corruption and how Covid-19 has blocked traders from China and massively raised freight prices. The paper now explores the implications of these developments, in terms of where these trading brokers now find themselves in power relations with customers, suppliers and governments.

In societies throughout sub-Saharan Africa, the massive growth of smartphone usage has led to customers becoming more sophisticated as to the prices of goods. The internet has served to lessen asymmetries of knowledge between trading brokers and customers, making the exploitation of customers more difficult. More specifically, by offering smart phones to their customers, often workable copies, traders have provided a means whereby their customers can avoid being cheated. They have provided their customers with the goods that help prevent them from cheating their customers, at prices that many in their home societies can afford.

At the same time, while customers can easily find out prices using the internet, they cannot yet fully trust the internet to make their own orders, unless they are using Alibaba or some other secure system at a hefty surcharge, as most customers do not. These trading brokers set themselves up as those who can be trusted more than can an internet connection. They can pursue their livelihoods only if they are trusted by their customers back home, a trust that the internet, in its facelessness, cannot provide, just as they themselves feel they cannot trust Chinese suppliers whom they have not met except through an internet connection.

The internet has, however, intruded in another way: It is also increasingly forcing these trading brokers to pay full customs duties. Unlike the spread of smartphones, this internet-created development does not cause prices to become lower but to become higher: trading brokers paying official duties rather than the lower fees of bribery pass on their costs to customers. Increasing emphasis on intellectual property rights as enforced by internet technology is
making the globalization of Africa through China-made copy goods more difficult, and perhaps exacerbating social inequalities, since only the affluent can consume genuine foreign goods.

In 2022, Kenya’s customs administration had developed holes, making corruption once again possible. In one trading broker’s words:

In spite of having computer screening, in spite of having incinerators to burn copy goods, in spite of corporate pressures, the volume of copy goods getting through Kenyan customs has increased in recent months. Yes, you can now bribe individual customs officers to get your goods through. I think that copies will always be there, despite all the checks and inspections of the government. This is because Africans want brand names, and the African customs officer is paid very little; he’s handling millions of dollars in business, but his salary is not enough to feed his family, so of course he takes bribes to let copies through.

Other trading brokers were less sanguine about getting copy goods through Kenyan customs—they apparently lacked the connections with corrupt officials that this broker had—but the larger point remains. As long as underpaid human connections can be cultivated, then computer screening cannot be fully effective; trading brokers will somehow find a way to circumvent it. As computer surveillance increases in customs and elsewhere, this may become more difficult, but as of today it can indeed be done.

Covid-19 has had multiple effects on trading brokers, on the one hand making their presence as trading brokers more essential than before, because their customers cannot come to China, and on the other hand reducing their business, since customers themselves are suffering Covid-19 restrictions in their own countries. Of most importance is the extraordinary rise of shipping prices. If computer surveillance threatens low-end globalization throughout the world, since it makes bribery of customs officials more difficult, the rise in shipping prices brought about by Covid 19 threatens the source of most goods of low-end globalization: For many trading brokers, it has become too expensive to ship goods from China, and so they turn to places closer to home for their goods, Dubai or Turkey, from which shipping costs are far cheaper. Copies are increasingly being made in Bangladesh and now in Turkey rather than in China, interviewees maintained, because of Covid-19 restrictions in China and the prohibitive price of freight from distant locales.

It is at this point impossible to know whether the massive rise in shipping prices will continue, just as it is impossible to know whether Covid-19 will end or will mutate into endless variations. It is impossible to know how China’s zero-Covid policy will play out, as most of the rest of the world learns to live with the affliction, and as China’s isolation, remarkably successful so far in handling Covid, may bear increasing economic and political costs (Graham-Harrison, 2022). China’s policy of zero tolerance for Covid has meant, in effect, a return to isolation reminiscent of earlier eras in Chinese history, most recently the 1950–1970s, during which foreigners were largely kept outside the country. Whether the current situation in China is a temporary blip or an enduring transformation (McLaughlin, 2022) will determine the future livelihoods of the trading brokers whose words appear in this paper, as well as the future of low-end globalization itself. Interviewees maintained that low-end globalization will remain as long as underpaid human connections remain—some trading brokers will continue to find a way around laws and computer surveillance, to the benefit of their customers: This may be beneficial for the amelioration of inequalities around the world, whatever one’s moral judgement of copies may be. However, it may be that China, as it moves up the economic value chain and perhaps continues to withdraw from the world, will increasingly no longer be the source of these goods. Low-end globalization will continuously shift in finding new sources for its goods. However, low-end globalization, like the informal economy at large around the world, will probably remain, despite policymakers’ enduring efforts to eradicate it.
ENDNOTES

1 When trading brokers consented to it, they are identified by their country of origin; but when they did not want this to be known, they are identified only as ‘West African’ or ‘East African’.

2 ‘In recent years, mobile phone penetration in sub-Saharan Africa has increased dramatically. According to the most recent report from GSMA, an association of mobile network operators worldwide, there are 747 million SIM connections in sub-Saharan Africa, representing 75% of the population’ (GeoPoll, 2019). In terms of internet usage, 9.6% of individuals in sub-Saharan Africa used the internet in 2012, while 29% did in 2019 (World Bank, 2021). While smartphones have existed since 2007, they only became widely used in sub-Saharan Africa a decade later. Internet connections are, however, expensive for most in sub-Saharan Africa and can be used only sparingly: As Eriksen (2020, p. 219) comments about sub-Saharan African mobile-phone users, ‘What does it actually mean that someone has access to the internet, if money is scarce and connectivity dodgy?’

3 The internet has many practical discussions over the extent to which Alibaba can be trusted by buyers (e.g., China Checkup, 2018), with commentators advising considerable caution. A range of other Chinese e-commerce companies are also working to establish secure payment and delivery for African consumers (Li & Bode, 2020, pp. 51–52). For a broader discussion of Chinese e-trade platforms and trust, see Ryzhova (2018).

4 It has been estimated that 10% to 20% of the goods sent from China to Africa have been copies (Mathews et al., 2017, p. 93), but with certain types of goods, such as fashion apparel and mobile phones, the percentage has been much higher. Most goods bearing well-known brand names in sub-Saharan Africa are copies.

5 This assessment parallels that of outside assessments of degrees of corruption in different African societies (Trading Economics, 2021).

DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author upon reasonable request.

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