7. How the Covid-19 crisis affected informal and digital trade

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The Covid-19 pandemic had significant consequences beyond the traditional aspects of Africa's trade in commodities, agricultural goods, manufactures or services. The first was the effects on informal cross-border trade, itself an area that has long been a persistently under-appreciated aspect of intra-African trade and policy. We show here that it was severely affected by the pandemic. Informal cross-border trade faced pressure to aggregate – in what became known as 'grouping' – to collectively satisfy border health requirements. And in doing so it often by necessity became more 'formalised'. But, in other instances, such trade was pushed to even more precarious informal routes, aggravated by the difficulties of complying with new pandemic-related 'safe trade' measures at borders.

The second dimension, by contrast, is digital trade, which attracted less attention in Africa before the pandemic, and then a lot of rhetoric and discussion once the crisis took hold. Covid-19 brought digital trade and digital means of trade facilitation to the attention of policymakers and the speeches of global panjandrums, but the new rhetoric about it surpassed a more muted reality on the ground. The second part of this chapter looks at digital trade and e-commerce, and whether Covid-19 contributed to the acceleration of digitalised forms of trade.

This chapter, like Chapter 6, assesses what Covid-19 changed about trade in Africa, with a particular interest in 'tipping points' and the 'sticking power' of those changes. It highlights persisting gaps in trade policy awareness within the continent and how policy priorities changed in the course of the pandemic.[1]

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7.1 Informal cross-border trade (ICBT)

In the wake of Covid-19 in 2020, efforts were made for formal cargo trade to flow by air, sea and land, helping to keep African economies afloat. Informal cross-border trade (ICBT), on the other hand, was substantially disrupted. Despite being a valuable (yet under-valued) source of intra-African trade, the policy landscape overlooked small-scale and informal cross-border trade. By its nature, ICBT requires functioning land borders, the physical movement of people, and access to markets – all of which were affected by Covid-19 restrictions. When 'safe trade' measures were introduced to keep trade flowing, they were conceived and targeted more with formal trade in mind, often under-appreciating the role of informal cross-border trade. Some of the safe trade measures restricted the movement of informal traders across borders, resulting in additional costs as well as delays in the delivery of goods. At the same time, they also gave rise to new aggregated forms of informal trade across the continent. A prime example was 'groupage', wherein informal traders grouped and transported consignments to satisfy border health requirements.

The picture across the continent has not been entirely bleak, however. Countries, regional economic communities (RECs), trade and information desk officers (TIDOs) and formal and informal traders, with time, adapted to the new normal of 'safe trade'. This section unearths the competing realities of cross-border trade during Covid-19 and the uneven experiences that policy interventions have shaped across different regions and countries. It looks to understand whether the 'safe trade' measures that were introduced during the pandemic are likely have a long-term impact on trade facilitation. Was Covid-19 a 'tipping point' for a transition to more formal and aggregated patterns of trade or did it reinforce the precariousness of informal trade?

ICBT is carried out both through unofficial crossings, where goods are smuggled across the border, and over official border points – where goods are not declared. The most salient drivers behind the informality of cross-border trade include cumbersome border procedures, shortages of commodities on either side of the border, and different taxation levels affecting prices and offering attractive arbitrage margins for smugglers (Titeca 2021). This type of trade in goods and services is still important, despite circumventing the regulatory framework set by the government. The composition of ICBT export and import baskets is predominantly low-value and takes place between border communities with strong mutual linkages and crucially ensures that there is food security across the border. Though it does not tend to extend too far in land, some traders move goods as far as three countries away. ICBT is gendered, owing to its flexibility and precarity. Women in ICBT play an integral role in sustaining Africa's informal economies and make up the largest share of informal traders, representing 70 per cent to 80 per cent in some countries, thanks to low start-up capital requirements and the earning potential it offers in border areas, where there could be limited employment.

The value of ICBT is significant across all African sub-regions but the availability of continent-wide data is weak by virtue of its inherent informality (Byiers et al. 2021). Recent estimates have found ICBT to be between 7 and 16 per cent of formal intra-African trade flows, and 30 and 72 per cent of formal trade between neighbouring countries – the equivalent of around $10 billion to $24 billion in pre-pandemic years (Gaarder, Luke and Sommer 2021). While the individual consignments of informal traders might be small in volume and value, the large number of daily transactions means that the aggregate value of imports and exports can sometimes exceeds formal trade (World Bank 2020a).

Policy responses to Covid-19 in Africa depended on capacity levels across both trade and health policy. Policy interactions between trade and health are not new; neither are weaknesses in their coordination. Trade-health policy enforcement at the border was often weak pre-pandemic, particularly in terms of sanitary and phytosanitary measures. In many instances, this stemmed from the prevalence and character of informal trade, the porosity of borders, and the sparsity of formal crossing points, or the relative ease with which formal crossings could be circumvented. The issuance of health certificates prior to the pandemic was in many instances more of a revenue-raising activity than a health measure (Gaarder 2022). With many traders and goods crossing unofficially, the effectiveness of such measures and safe trade more generally risked being undermined by the large presence of informal trade (Gaarder 2022). With this weak 'safe' trade regulatory backdrop that pre-existed the pandemic, new policy interventions during the crisis had a lot to make up for.

The stringency of Covid-19 health policy measures varied between African countries and evolved over time (see Chapter 6). Many lockdowns were announced with little notice given to traders about the timelines for lockdowns and this lack of communication did not consider the impact on the livelihoods of traders. Different types of measures had different impacts on traders (Resnick, Spencer and Siwale 2020). Some responses focused on creating an enabling environment in some cases, while others involved restrictive policies that worsened outcomes for traders. Informal traders in Africa had to navigate uneven enforcement of travel bans, border closures and testing across the borders of the countries where they operated. Health policy was often prioritised over trade activity, primarily due to the fragility of available health infrastructure. But some of the pressure to impose such stringent measures was external:

> You have these people sitting in Geneva who essentially modelled their crisis response for Africa based on what rich countries did and the type of measures they put in place. You can't have a one size fits all approach when the reality on the ground is so hugely different. If you didn't put in place travel or movement restrictions you were

> seen as 'irresponsible' without contextualising whether this safe trade response was appropriate. (Gaarder 2022)

While new trade-health regulations on movement across borders disrupted and slowed the operations of larger-scale traders, in most cases informal traders were completely cut off. Many public health policies primarily restricted the movement of persons, allowing trucking traffic to continue the shipment of goods, largely unhampering commercial traders. For food and agricultural trade, additional sanitary controls for Covid-19 delayed the flow of traffic and goods, causing price increases for foodstuffs. In some border towns, restrictions led to price jumps as high as 50 per cent for certain commodities (Resnick, Spencer and Siwale 2020, p.5). In addition to sanitary controls, curfews disproportionally affected small producers and fresh food supply chains, which constitute a significant portion of ICBT. Serious delays at the border were also compounded by the lack of personal protective equipment for customs and other agencies' staff as well as quarantines imposed on truck drivers (Banga et al. 2020).

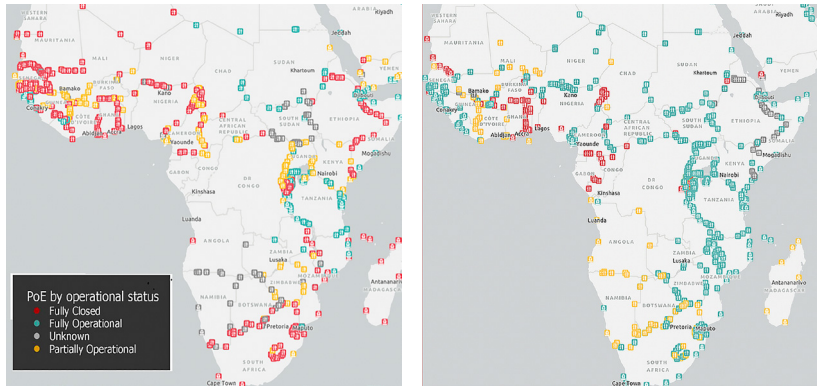
Land border closures and the response of informal traders

Land border closures were a primary way in which health and trade policy was implemented in the initial phases of the pandemic, though this changed over time, with borders opening at uneven rates across different regions. By March 2020, most African governments had closed their land borders, with restrictions peaking in May/June 2020. Though restrictions varied, land borders remained strictly closed in some countries for as long as two years. Figure 7.1 illustrates points of entry that were fully or partially closed and those that remained fully operational (land and blue borders) in February 2020 and February 2022. Though restrictions varied, land and blue borders (sea, river and lake ports) overall were strictly closed in most countries in 2020, before gradually opening over the following two years.

Land border restrictions varied regionally. In March 2022, the region with the highest global share of fully closed points of entry (including airports, land borders and blue borders), suggesting considerable restrictions to cross border trade, was Central and West Africa (24 per cent out of 588; see Figure 7.2) and the lowest was East and Horn of Africa (5 per cent out of 382). When this is disaggregated to land border crossing points, Central and West Africa was the region with the highest global share of fully closed land borders (120 out of 450, 27 per cent). Among the highest percentage of fully operational land border crossing points in Africa was Southern Africa (169 out of 226 locations, 77 per cent out of the total), and East and Horn of Africa (132 out of 213, 62 per cent) (IOM 2022).

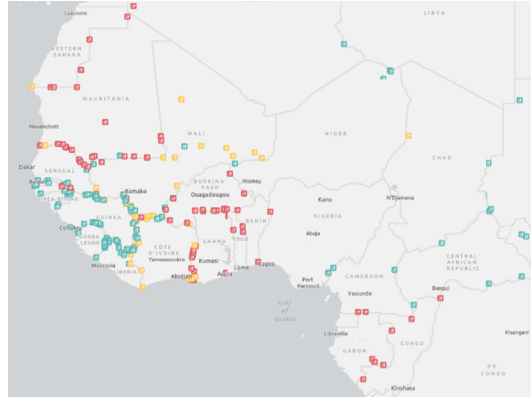
Nevertheless, despite the relative degree of regional openness in Southern Africa, some states maintained stringent border closures for extended

Figure 7.1: Evolution of Covid-19 mobility restrictions – Africa, February 2020 (left) and February 2022 (right)



Source: IOM Mobility Restriction Tracker (2022), reproduced with permission.

Figure 7.2: Covid-19 mobility restrictions, West Africa, 2022



Source: IOM Mobility Restriction Tracker (2022), reproduced with permission.

periods. Zimbabwe only opened the borders for ICBT in February 2022. In essence, 'safe trade' here was taken to mean *no trade at all* for informal traders. This was not the case for other countries in Southern Africa: South Africa, Zambia and Botswana opened their borders much earlier. This trend cut across many borders in Africa: while border restrictions reduced in the course of 2020, aided by 'safe trade' facilitative measures, they remained more burdensome than pre-pandemic times in other countries (Luke and MacLeod 2021).

Border closures, delays and increased costs of trading drove informal traders to pivot to unregulated and more precarious informal crossing points in

'no man's lands' (Mvungu and Kunaka 2021). Increased trade costs have been a severe non-tariff barrier to informal traders. In the Great Lakes Region, pre-pandemic, a 'jeton' (day pass) was previously issued to small traders for free, but this was replaced with a 'laissez passer', which cost roughly US$10.00 for small traders crossing the borders between the DRC and Rwanda and 10,000 Uganda shillings (about US$2.75) for Ugandan small traders and US$5.00 for DRC small traders crossing the borders between the DRC and Uganda (Mvungu and Kunaka 2021). These circumstances were not isolated to Eastern Africa; in Zimbabwe, Zambia and Malawi, where the borders are quite porous, ICBT might appear to have dramatically fallen during the pandemic because it was absent at *formal* border posts. In reality, it displaced to informal, 'illegal' entry points owing to expensive compliance measures that acted as disincentives for informal traders (Mafurutu 2022).

Africa's regional economic communities (RECs) introduced a series of trade-health guidelines to harmonise measures. These were largely directed at large-scale formal trade and failed to appropriately integrate informal traders. In the initial stages, SADC, COMESA and the EAC developed regional guidelines to facilitate trade, which was followed by guidelines developed at the tripartite level. Some of the measures enforced by COMESA member states were recognised as punitive, especially towards small-scale traders, and, in response, the COMESA Secretariat developed guidelines to facilitate the movement of essential commodities, PPE and foodstuffs for member states (Onyango 2022). Most of the REC guidelines included regulations covering mandatory testing, sanitising trucks and limiting crew numbers, and were primarily focused on facilitating the movement of emergency essential supplies. One of the major shortcomings of these regionally articulated guidelines was how informal traders were overlooked in these trade-health policy responses – they did not tailor specific policy interventions to cater to, and assist the livelihoods of, informal traders (Onyango 2022; Sommer 2022).

The African Union took up the task of working towards a continental set of guidelines in 2020 that would better integrate small-scale cross-border trade facilitation – a task that had yet to be fulfilled by December 2022, with the guidelines remaining a work in progress, and increasingly irrelevant, more than two years on. The position of ICBT still had not received sufficient attention within the AU: 'Right now to tell you the truth, we did not have any activities focused on informal traders but the guidelines [recognise the need] to deal with small scale traders' (Kassee 2022). The AU guidelines were presented to the heads of customs authorities in 2021, who managed the trade facilitation component, and were then endorsed by the ministerial meeting responsible for trade in late 2021. While they focused on the broader scope of trade (beyond land borders and maritime trade), they did not dedicate a specific set of policy interventions for informal traders – 'we are not saying they are the best guidelines but at least we tried to come up with something' (Kassee 2022). The AU guidelines are perhaps better viewed as a 'live docu-

ment', dynamic in nature, and updated and disseminated through recurring consultations and workshops with stakeholders as the Covid-19 pandemic transitions into the recovery period.

Some cross-border agencies did not speak to each other in the wake of the pandemic, whereas others harmonised interventions. In the DRC, cross-border agencies did not coordinate responses in the early phases with neighbouring countries. For example, PCR tests priced in the DRC were not recognised in Rwanda, and Congolese small-scale traders could not afford to test twice each time they crossed the border (Bashi 2022a). Most of the rules implemented were aimed at large traders not small traders, because they were not formally registered; this was despite data being given to the government: 'we provided the numbers: the ICBT association in Goma is made up of 7,000 people, in Bukavu it is 2,000 people', yet they were still excluded in any policy considerations (Bashi 2022a). In some cases, cross-border harmonisation improved once border agencies begun speaking to each other (Box 7.1).

'Safe trade' measures: here to stay?

For trade to operate in as safe an environment as possible, specific measures were introduced early in the pandemic. Many of these 'safe trade' measures were adapted by countries as the pandemic evolved into the recovery period. By

Box 7.1: Inter-agency harmonisation: the DRC and its neighbours

Some three months into the pandemic, regional talks took place on trade facilitation. The governor of North Kivu (DRC) and South Kivu (Rwanda) met and small cross-border traders were invited to share grievances from informal traders on both sides of the border: on the Rwandan side they said 'we are not making money anymore because the Congolese are not coming to buy our goods anymore and on the other side Congolese markets were empty because they couldn't bring goods from Rwanda' (Bashi 2022). This consultation process helped to develop a crucial policy to facilitate ICBT. The PCR test was reduced to $5 on the Rwandan side (previously costing as much as $60), recognised by both border communities, and made available to any informal trader registered with an ICBT association. This was a local authority and regional government-driven trade facilitation process. Despite greater inter-agency cross-border policy harmonisation, there was still some miscommunication on border openings: Rwanda and the DRC had different opening and closing schedules.

Source: Bashi (2022).

early 2022, borders had reopened in most cases but, overall, many health regulations remained in place, and time was needed for traders, customs authorities and immigration officials to familiarise themselves with new regulations (Sommer 2022). In some countries, Covid-19 'safe trade' border restrictions were lifted or adjusted. For example, law enforcement become more relaxed in Uganda: travellers still needed to present a negative Covid-19 test issued no more than 120 hours before travel, but in practice this was not enforced for small-scale traders and cross-border mobility improved (Titeca 2021).

In some cases, 'safe trade' measures helped to improve the enabling environment for informal traders, especially in marketplaces during the height of the pandemic (Resnick, Spencer and Siwale 2020, p.6). For example, in response to market traders, who tend to operate in crowded environments in border communities, authorities emphasised decongesting markets and ensuring they operate with new health protocols. In Ghana, a partial lockdown exempted actors in the food value chain and markets in all regions (not just cross-border communities). Marketplaces were cleaned and disinfected, with some districts following an 'alternate products for alternate days' system. This adaptation depended on building trust and dialogue with Ghana's 'market queens' – influential female traders in the wholesale/retail distribution of food commodities (Resnick, Spencer and Siwale 2020). Measures were not always adapted to the needs of informal traders (Box 7.2). In the DRC, informal traders were not able to take advantage of the facilitation measures put in place by certain governments to mitigate the negative effects of Covid-19 on the country's economy, such as the three-month exemption of VAT on the importation and sale of 'basic' goods and a financing scheme from the Industry Promotion Fund (FPI – Fonds de Promotion de l'Industrie). These were aimed at larger-scale traders (Bashi 2022a).

Box 7.2: Short-sighted public health measures: Zimbabwe

In Zimbabwe, a major challenge in terms of sectoral policy coordination was the location of testing sites and their proximity to informal traders. These test centres were not located at the borders and it took time for these to be gradually decentralised. The government privatised the test centres and provided a list of authorised private sector testing facilities. With no public facilities available, complying with testing requirements was costly for informal traders. At Beitbridge, the border post between Zimbabwe and South Africa, and Chirundu (between Zimbabwe and Zambia), the amount it cost to obtain a PCR test ranged from $60 to $120 – out of touch with the economic realities of informal traders.

Source: Mafurutu (2022).

Many of these 'safe trade' measures are likely to persist. In the words of one interviewee, 'the thing about bureaucracy is that once you've introduced it, it's really hard to get rid of' (Gaarder 2022). Two years on since the announcement of land border closures, it had become standard practice to comply with sanitisation measures, Covid-19 testing and vaccination certification in order to trade across many borders. It would take more effort to debureaucratise this entire ecosystem, especially once parts of it had become digitally integrated with cross-border trade – among the positive longer-term policy outcomes of this period.

Did the STR ecosystem buffer informal traders from the pandemic?

Simplified trade regimes (STRs) are currently operational in two RECS: the EAC and COMESA. These intend to facilitate small-scale cross-border trade, by way of simplified clearance procedures (such as forgoing the requirement for a certificate of origin) for low-value consignments (for example, less than US$2,000) on applicable products. In COMESA these products are included in several 'common lists', which are bilaterally agreed upon between participating countries, whereas in the EAC products are agreed unilaterally. In reality, the STR merely 'eliminates a duty that those traders should not have been paying anyways' (Gaarder 2022). Traders still have to pay VAT, excise duty, obtain immigration documents and comply with a range of standards in order to benefit from the STRs.

Prior to the pandemic, STRs faced implementation weaknesses. In the EAC, many small-scale traders were unable take advantage of the STR owing to limited awareness of the procedures and regulations and inconsistent compliance by customs officers (Osoro 2022). In COMESA, the thresholds for goods were not harmonised across member states; for example, Zimbabwe applied the STR to consignments under $1,000, whereas Malawi applied the STR to consignments under $2,000. STR desk officers in Zambia and Zimbabwe spotlighted these challenges and the fact that the goods covered under the regime were last reviewed in 2013 (Mafurutu 2022). The utilisation rates of the STR by informal traders is hard to quantify owing to a lack of data but the picture across border posts is uneven. For example, the STR worked well at the Chirundu border between Zimbabwe and Zambia, but:

> the main reason it works there is pretty basic: the Zambezi River separates the two countries, the formal border crossing point is on the other side of a bridge, and it's in the middle of a national park with lions and elephants, incentivising people to trade formally. (Gaarder 2022)

Was the impact of Covid-19 less severe on informal traders who traded within the STRs? If it was the case that those borders with STRs affected informal traders less adversely during the pandemic, then this may well form a strong

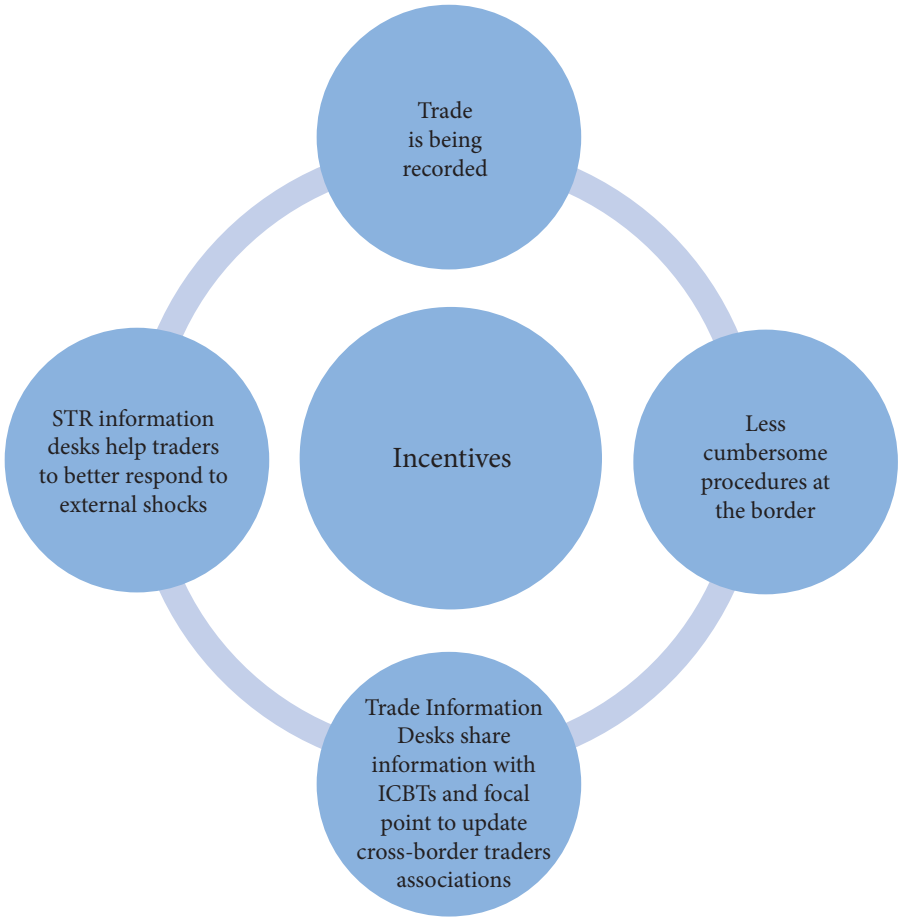
case to push for the roll out of STRs across the continent. The picture is not so simple. In the EAC, as long as informal traders were registered with associations and complied with the STR by passing official check points, they could benefit from the STR during the pandemic after the initial shock border closures (Osoro 2022). Yet, with the absence of testing facilities at the border posts, informal traders were still greatly affected, and the lack of appropriate decentralised safe trade measures hindered the abilities of informal traders to conduct trade officially through the STR.

In Southern Africa, the 'STR did not change anything' and for a significant period of time three countries belonging to this STR still banned the movement of informal traders despite the presence of an STR (Mafurutu 2022). In Zimbabwe, it took two years to open the formal border to informal traders, so it was impossible for them to benefit from preferential treatment despite the provisions for clearing of goods remaining in place throughout the entire pandemic for formal cross-border trade. Regardless of how simplified the trade regime is, if the 'safe trade' policy is border closure, the only thing this is going to simplify is the decision of informal traders to take more informal and possibly even illegal routes.

The STR ecosystem is made up of several components (Figure 7.3). TIDOs function to help small-scale traders understand the benefits of the STR and are sometimes embedded inside ICBT associations but are rarely self-funded by those associations. The impact of Covid-19 was often not less severe on informal traders at borders because STRs were in place. Rather, STR ecosystems (border agencies, TIDOs and CBTAs) helped foster creative solutions, such as the rise of 'groupage' trade in some regions. With the growth of aggregated patterns of ICBT, this improved the monitoring of small cross-border trade, since the more efficient flow of aggregated goods across borders allowed customs administrations to better identify goods from small cross-border trade and to apply the preferential tariff provided for them under the STR (Bashi 2022a).

Informal cross-border trade has not transformed because of Covid-19. While the substance of trade did not radically change, the aggregate value increased, groupage trade emerged, and traders pivoted and found new routes to access border markets, oftentimes resorting to more dangerous routes. The means by which a substantive proportion of ICBT was carried out did become more 'formalised' through the groupage mechanisms and 'formal patterns of informal trade' emerged. While some informal traders adopted more formal mechanisms to continue operating during the Covid-19 pandemic, 'for every trader that formalised in response to the crisis, there was another trader that became even more informal' (Gaarder 2022). The impact was especially gendered: 'safe trade' measures designed to buffer shocks to Covid-19 disproportionately impacted women engaged more frequently in informal trade than large-scale commercial traders. For example, at the height of the pandemic in the EAC's six member states, around 21.2 per cent of 260 women traders sampled reported that they were using informal routes to circumvent the existing Covid-19 measures in EAC partner states (TradeMark East Africa 2021, p.12).

Figure 7.3: The STR ecosystem



Source: Authors' own compilation.

Overall, the experience of Covid-19 revealed that, when traders could not easily pivot into new sectors/low-skilled employment/services or retrofit their consignments, they diverted trade through less safe routes or through groupage. Where borders were shut, some informal traders pivoted towards the scarce border posts that remained open, while others circumvented official border posts altogether. For example, in Malawi many informal traders pivoted towards the Mchinji border, between Malawi and Zambia. Two factors help to explain this: first, the Mchinji border is the nearest-to-destination border, so it is convenient to traders and, second, throughout the duration of the pandemic, the other key border posts such as Mwanza faced strict closures because of the measures taken by the destination countries. According to the TIDO, the increase in small-scale traders' passing through the Mchinji border post over recent years can also be attributed to the introduction of the

COMESA STR, which provides simplified customs clearance procedure for imports and exports (IOM 2021, p.11). In short, there was little harmonisation in which borders remained functioning during the pandemic in Malawi – a trend commonly spread in other member states.

There was an increasing trend of small-scale traders joining forces, aggregating their goods, and paying fees to truck drivers for transportation and clearance. Through this, informal trade was taking place in a more formal manner using informal solutions largely initiated through the nimble innovation of traders rather than because of concrete policy interventions. 'Groupage' involves organising the purchase, transport and delivery of goods in groups, using small trucks and vans, so reducing the operational costs typically borne by each individual trader. This made economic sense and created economies of scale: cargo was aggregated and the per unit transport cost was lowered. It was also an efficient response to new 'safe trade' costs; in the Great Lakes Region, two rather than 20 informal traders needed to take a PCR test (Mvunga and Kunaka 2021). The reduction in the number of small traders crossing the border to representatives for group orders also reduced the levels of harassment and illegal taxation at the borders (Bashi 2022a). However, groupage is not necessarily new. This type of arrangement had been in place for some time; for example, in the EAC, the bulking of consignments and shared delivery at the Busia border, where there is a very active cereal trade, was commonplace pre-pandemic (Osoro 2022).

Groupage systems were seen to be a more efficient and cheaper method considering the new stringent restrictions during Covid-19 at some, but not all, border posts. Certain commodities benefitted from this arrangement more than others. At the Nakonde–Tunduma border in Zambia, grain and potato consignments were predominately transported through groupage (Kanyanya 2022). This shift in trading practices may soon have the potential to accelerate the formalisation of small cross-border trade. At the Beitbridge border post between Zimbabwe and South Africa, an initiative of the revenue authority administratively encouraged informal traders to do groupage trade. Ten traders would group funds to send a driver with a seven-tonne truck to cross to Mesina and purchase goods, which would be sold back in Zimbabwe. However, the border authorities would clear those consignments as if they were commercial trucks passing through formal border posts and were less mindful of the fact that these were made up of aggregated smaller consignments of informal traders – trade data from this period needs to be scrutinised accordingly (Mafurutu 2022).

Trade data from the Covid-19 period needs to be read with appreciation for the rise of 'groupage', which was being recorded as formal by customs officials but would previously have crossed borders informally (and unrecorded). In the DRC, informal traders also started to buy goods in bulk and coordinate small cross-border trade to mitigate the effects of new policy regulations. In the absence of a clear distinction from the goods of large and commercial traders, groupage helps to explain the increase in the volume of formal

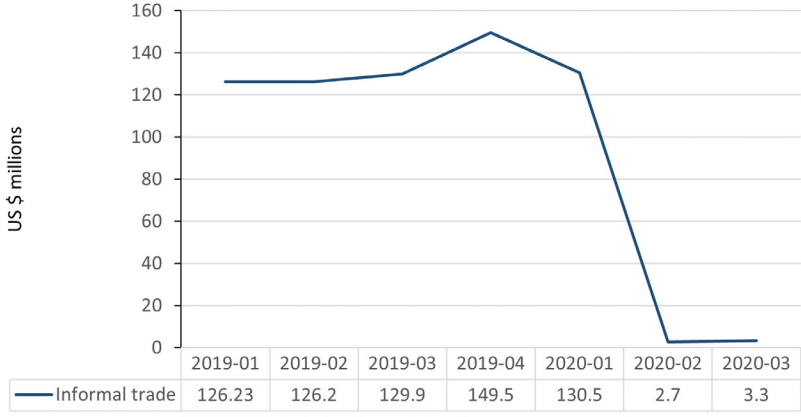
imports during the pandemic. During the second quarter of 2020, an unexpected recovery took place in the eastern DRC, which recorded a 22 per cent increase in 2020 levels, compared to 2019 (Bashi 2022b). Goods imported using the groupage method were more closely monitored by customs administrations than had previously been the case for smaller informal consignments. The administration was less incentivised to disaggregate the flow of goods from small cross-border trade as 'informal' or 'formal' and blanket classified them as 'large' or 'commercial':

> The customs directorate were all so proud. Everyone was telling us: Covid-19 is going to crash our external trade and we're going to be in trouble. But look at the numbers, we even did better than 2019! But when asked how much is coming from informal groupage versus large-scale traders, they did not know, they just knew the numbers were good. (Bashi 2022a)

Elsewhere, the picture varied. For example, in Uganda, where ICBT was regularly recorded pre-pandemic, and stringent border health measures were imposed, the total ICBT in the second quarter of 2020 was a mere $3 million, a considerable drop from the $125 million recorded during the same period in 2019 (Gaarder, Luke and Sommer 2021, p.6), as shown in Figure 7.4.

Groupage cannot be taken as synonymous with formal trade as many informal traders engaged in groupage schemes were still not officially registered: 'by the end of our groupage trade facilitation project in the [DRC], less than 20 per cent had registered with the state' (Bashi 2022a). Incentives play a strong driving factor in this type of data collection for governments: first, to improve official trade flow statistics and the overall trade deficit, and, sec-

Figure 7.4: Ugandan informal exports, quarterly, $ millions



	2019-01	2019-02	2019-03	2019-04	2020-01	2020-02	2020-03
Informal trade	126.23	126.2	129.9	149.5	130.5	2.7	3.3

Source: Data from Bank of Uganda (2020).

Box 7.3: The hidden costs of groupage: informal traders subject to duties

In the DRC, groupage trade would pass through the 'large traders' entry point and be charged as 'commercial'. In response to these higher duties, informal traders put together a list where they disaggregated the consignments products, name of trader and the number of products included to prevent higher duties. However, this was done manually, with a large margin of human error, and the information provided was not recorded in the customs system. In Zimbabwe, a similar picture unfolded. Under the Zimbabwe Revenue Authority (ZIMRA), groupage did not qualify for preferential treatment at the STR facility because these were being cleared as commercial consignments. These STR benefits need to be restored for informal traders and revenue authorities should assist them with the free clearance of their groupage trade as a policy exception, during the pandemic.

Sources: Bashi (2022a); IOM (2021).

ond, to potentially reach a wider catchment for revenue mobilisation among unregistered traders. But, for informal traders, the incentives for groupage were not as clear-cut once their consignments were classified as 'commercial' and subject to certain duties (Box 7.3).

Did Covid-19 transform informal cross-border trade?

Covid-19 shifted the incentives around informal cross-border trade. In some instances, this 'pulled' formerly informal trade into larger and more formal groupage arrangements. In other instances, traders were 'pushed' by a combination of stringent policy interventions, 'safe trade' measures and border closures to either pivot routes or circumvent official border posts. Much of these trade dynamics spilled over into the economic recovery period. Public policy responses to Covid-19 varied drastically across regions and countries depending on the capacity levels to enforce policies that were tailored to informal traders. Policy responses from member states, RECs and the African Union were disproportionally aimed at large-scale cross-border trade and the lack of cross-border harmonisation between border agencies prolonged the unnecessary delays. Informal traders were acutely vulnerable to the pandemic, in both health and economic terms.

Covid-19 created shifts in policy, too. While new measures were imposed to make trade 'safe' at the border, these ranged from stringent land border closures to testing and health facilities, and in some instances long-overdue improvements to border hygiene and sanitation facilities. Some of the best of

these measures, particularly those involving the digitalising and streamlining of processes, will likely endure to make trade easier long after the worst impacts of Covid-19 subside. Yet, in other instances, the pandemic created new bureaucratic obstacles that frustrate trade at border crossings, which also run the risk of persisting.

The pandemic was not necessarily the 'tipping point' for informal trade formalisation, but it introduced many traders to more formal and aggregated patterns of ICBT. These formal patterns of informal trade represent more than just a tongue-twister: groupage mechanisms were a result of nimble innovation 'from below', and not because of concrete policy inputs from countries or their RECs. Informal trade increasingly took place through more formal, aggregated patterns – a phenomenon distinct from 'formalisation', commonly associated with traders being registered and formally recognised by border agencies and revenue authorities. On the one hand, informal traders benefitted from scale efficiencies through bulk and transport costs of groupage; on the other, it is not clear whether this directly led to income gains for traders that outweigh their exclusion from the STR. In the absence of appropriate safe trade measures, some informal traders were able to advocate, facilitate and scale their trade.

One of the prevailing messages from the experience of informal trade through Covid-19 is that policy interventions to facilitate ICBT need to be informed by lived experiences on the ground in border communities. This requires dialogue and consultation *with* informal traders. Most policy interventions to date have been aimed at advancing the larger players in cross-border trade. But small players matter too – especially when the aggregate value of that 'small', presumed 'insignificant' informal trade may well tip the trade balance, and can even exceed that of formal intra-African trade.

7.2 Digital trade and e-commerce

Throughout the developed world, Covid-19 was considered to have been an accelerant for the uptake of digital technologies such as online banking, shopping, learning, leisure and doing business. With physical engagement impossible, Covid-19 nudged consumers, workers and businesses into virtual alternative forms of work and leisure. Was this phenomenon matched in Africa? We begin by summarising the 'starting point', showing the characteristics, foundations and trends in the African digital economy and digital trade in the lead-up to Covid-19. This is important because, as will be shown, these foundations (and in many instances there lack thereof) affected the trajectory of digitalisation in Africa inspired by Covid-19. This section then looks at data markers for economic behavioural changes in African countries in the course of 2020 and 2021. In doing so it focuses on three parts of the Covid-19 digital story: narratives, policies and emerging data, highlighting impressions of the nuanced reality of digital trade in Africa through Covid-19.

The internet, as well as other digital technologies, increasingly underpin international trade. A definition of the resulting 'digital trade' has gradually

coalesced to describe 'digitally-enabled transactions of trade in goods and services' (González and Jouanjean 2017). Conceptually this is quite a broad idea: a product needs to be either 'digitally ordered, digitally-facilitated, or digitally delivered' to qualify (IMF 2018). In the parlance of international trade negotiations, digital trade has often been analogously termed 'electronic commerce' or 'e-commerce', stemming from an overlapping and explicit definition of the General Council of the World Trade Organization in 1998. There, e-commerce is considered to amount to 'the production, distribution, marketing, sale or delivery of goods and services by electronic means' (WTO 1998).

In trade policy and trade negotiations, negotiators often push and pull at the demarcation of the definitions of 'digital trade' and 'e-commerce' deliberately. For their intended negotiating outcomes, some wish to cast the boundaries to capture data governance issues, such as restrictions on cross-border data flows and limitations imposed on data processing, data transfers, or the legal rights and responsibilities of data owners and data subjects. In such instances, what is considered narrows down to trade specifically in *data*. Rather than how digital modes might affect trade in goods, for such negotiators it is bytes crossing borders that matters. Other negotiators seek to cast the definitions of digital trade and e-commerce to include the use of digital means for facilitating traditional trade in goods. This might be considered closer to digital forms of trade facilitation. This can include the use of electronic single windows for customs processing or encouraging the legal recognition of electronic signatures and authorisations as equivalent to their paper alternatives. In such an instance, the focus has been on the digital environment and *how* goods are traded digitally.

Even when the definitions of digital trade or e-commerce are agreed upon, its measurement remains elusive. The biennial UNCTAD Digital Economy Report in 2019 was dedicated to '*measuring* value in the digital economy'. This is challenging and diverges depending on whether its measurement is confined to narrow definitions, such as trade related to what might be considered a digital sector, like the information and communications technology sector, or trade strictly comprising digital goods and services. The digital sector can also be considered more broadly such as in instances where digital technologies are used in a wide range of sectors, such as the growing of crops using digitally designed or delivered agronomic services or the integration of computer-automated design processes into manufacturing. Even when the size of the net is determined, timely data is not always available either. This leads us to consider digital trade and e-commerce relatively broadly and to grasp a broad range of indirect means of its measurement to track its development during Covid-19, owing to a lack of any clear-cut definition and data sources. Digital trade provides both new opportunities and challenges for economic development. By reducing information costs and overcoming remoteness and distance, digitalisation is argued to help small businesses in developing countries to market and distribute to – and receive payment and make pur-

chases from – a variety of international buyers (Lanz et al. 2018; Sandberg and Hakansson 2014; World Bank 2016). 'Developing countries, which exhibit the highest costs and biggest impediments to trade, stand to gain the most', according to the World Bank (2020b).

On the other hand, the same such businesses face a stark 'digital divide' and may risk being left behind by more sophisticated competitors (Foster et al. 2018). There are concerns that digital trade embodies network effects that can lead to market concentration and anti-competitive markets, meriting new approaches to cross-border competition regulation (Khan 2016; UNCTAD 2019). Digital trade may facilitate the distortion by international companies of their taxable income through transfer pricing (Banga 2019; OECD 2014). And, as unionisation potentially becomes less effective in fragmented and transitional work environments, digital trade may require greater policy involvement to ensure living wages and working standards (Graham, Hjorth and Lehdonvirta 2017; Vandaele 2018).

Digital trade governance gained prominence in the lead-up to the 11th Ministerial Conference of the World Trade Organization in 2017, with an escalation of controversial proposals for the negotiation of new multilateral rules in this area (Ismail 2020; MacLeod 2017). However, the seeds of those proposals emanated from earlier bilateral and regional trade negotiations, particularly the Trans-Pacific Partnership, the Regional Comprehensive and Economic Partnership and the Trade in Services Agreement negotiations (Berka 2017; Ismail 2020; Wolfe 2019). Three different visions for global digital trade governance can be considered to have since evolved. The first, led by the United States, emphasises openness and liberalisation (Azmeh, Foster and Echavarri 2020; Janow and Mavroidis 2019). The second, pushed principally by the European Union, prioritises consumer rights and protections, such as data privacy and cybersecurity (Aaronson and Leblond 2018). And the third, from China and Russia, promotes a narrower view of digital trade eschewing liberalisation and ensuring scope for substantive government interventions for purposes of surveillance and national security (Ferracane and Lee-Makiyama 2017; Gao 2018). This leaves a final camp, comprising many developing countries, including those in Africa, left falling in line with those respective visions, trying to define their own priorities or simply deferring commitment to different digital visions (Banga et al. 2020).[2]

It matters how African businesses, policymakers and traders engage with the digital economy and shape it on the continent. It is likely that it will not just increasingly reflect the way trade happens but also throw up unique challenges and opportunities that need to be addressed. Four characteristics help to understand the nature of the digital economy in Africa. Even before Covid-19, the digital economy had been, on average, growing rapidly in African countries, but doing so from a relatively low baseline compared to other regions. The breadth and depth of the use of the internet provides a straightforward but useful metric of the extent of digitalisation within an economy. By this measure, digitalisation in Africa is far behind that of the other regions

of the world but it has been catching up rapidly. As Figure 7.5 shows, internet coverage across the continent has recently strengthened: 82 out of every 100 people in Africa were covered by at least 3G internet in 2021, up from 51 out of 100 in 2015. However, usage rates were lower. Nevertheless, Figure 7.6 shows that the share of the population actually using the internet in African countries remains much lower than all other world regions, even if it has been growing rapidly in recent years.

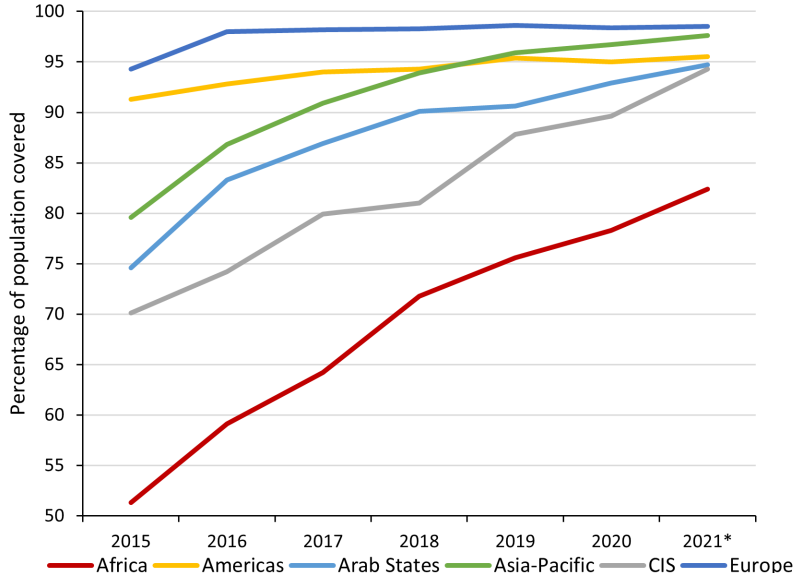
The second key characteristic to understand the African digital economy is the presence of stark inequalities within countries. There is a large digital divide, with urban individuals considerably more likely than rural populations to have access to, and use, the internet. To a smaller but noteworthy degree, there are also digital divides facing women and older demographic groupings, with men and youth (aged 15 to 24) significantly more likely to be internet users (see Figure 7.7). Increasingly addressing these gaps will be vital for the development of an equitable digital economy.

The third key characteristic is divisions between countries. The African digital economy remains geographically concentrated, with much more highly advanced hubs emerging in certain corners of the continent. Figures 7.8 and 7.9 give an impression of this by using data from the International Trade Centre on the presence and use of e-commerce platforms. The first simply shows the number of digital platforms present in each African countries in 2020, to demonstrate the breadth of e-commerce platforms. The second shows the average digital platform traffic for each country in the same year, to show a gauge of the usage of these platforms. Together they demonstrate considerable unevenness: outside of North Africa, and a few bright lights in South Africa, Kenya and Nigeria, Africa's digital economy remains in the dark.

The fourth key characteristic of the digital economy is its distinct form. African consumers are mobile-first digital adopters. Internet-enabled smartphone handsets are the most affordable and accessible avenue through which consumers can access and utilise the internet. Consumers can do this in the absence of fixed broadband connections and, because they are battery powered, even throughout intermittent electricity availability (Pankomera and van Greunen 2019). This in turn shapes the type of e-commerce that emerges within it, with mobile-optimised applications dominating growth in consumer usage.

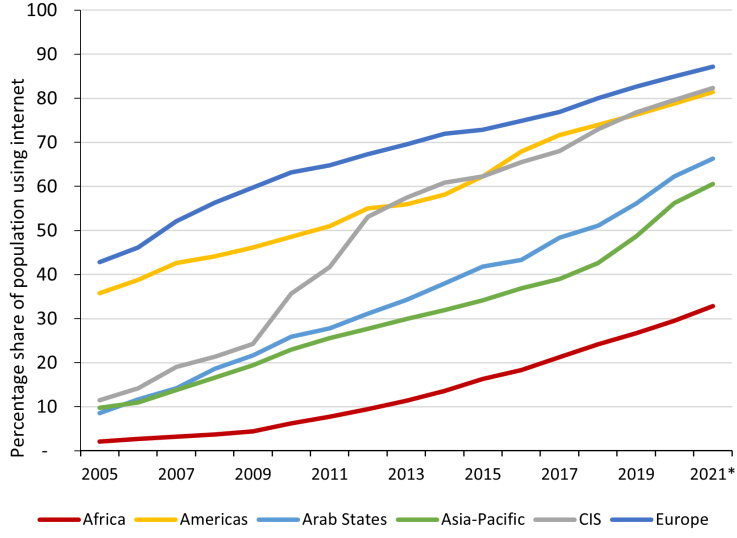
The mobile digital economy does not always involve complex platforms with integrated delivery, payments or management services, like Amazon or Alibaba. In its most basic form, it involves vendors piggybacking on existing *communications* platforms – such as WhatsApp or Facebook – to market goods and communicate with prospective clients, before closing deals with physical goods and arranging transportation offline (BFA Global 2017). In parts of countries where internet coverage is limited, slow or comparatively expensive, mobile-first use can entail even simpler technologies, such as the use of USSD (unstructured supplementary service data) or basic telephony operations. In Niger, for example, the rollout of mobile phones to remote

Figure 7.5: Internet coverage rates: share of population covered by at least 3G



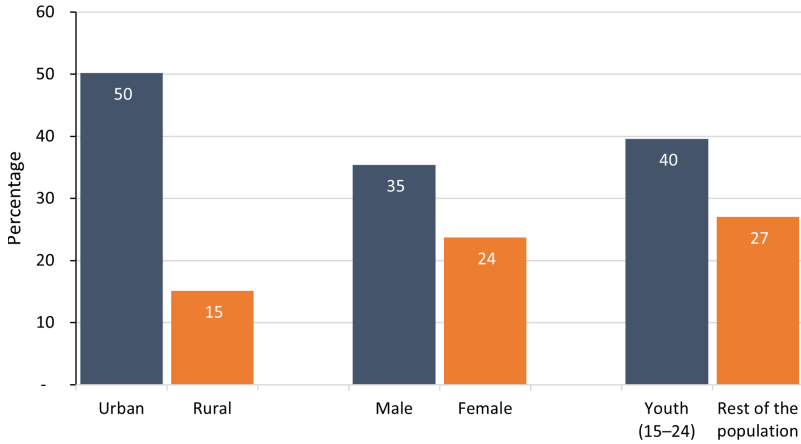
Source: Based on ITU (2022).
Notes: *Estimate. Data grouped by ITU world region. CIS is Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan).

Figure 7.6: Internet usage: share of population using the internet



Source: Based on ITU (2022).
Notes: *Estimate. Data grouped by ITU world region. CIS is Commonwealth of Independent States (Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan).

Figure 7.7: Inequalities in the African digital economy: internet usage rates, by analytical grouping



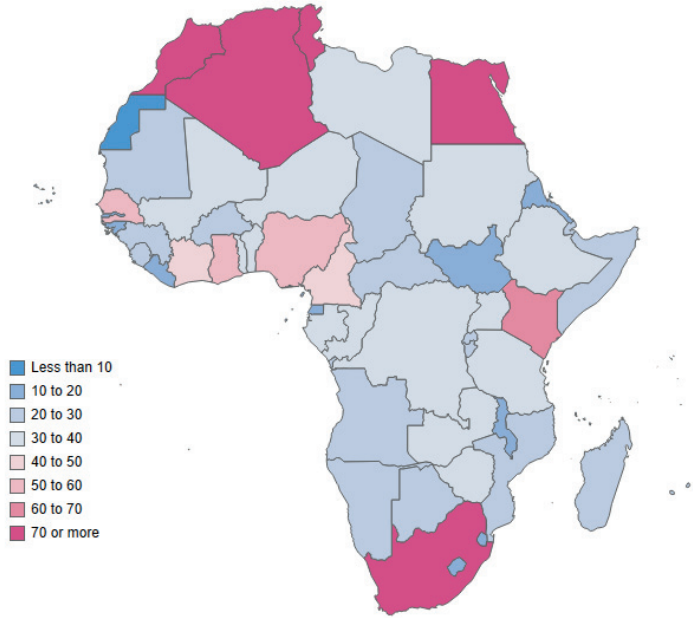
Source: Based on ITU (2022).

agricultural markets improved communication over grain deals, reducing the dispersal of grain prices by 10 to 16 per cent (Aker 2010). Owing to its inherent definitional and measurement difficulties, definitive data about the adoption of digital technologies is scarce. However, indirect measurements can give indications of how Covid-19 may have changed digital adoption in African countries.

Figure 7.10 shows changes in search behaviour on Google in the months leading up to the pandemic, in early 2020, and in the remainder of 2020. Trend lines are calculated for the world average and a selection of relatively more digitally developed African countries (Nigeria, Kenya, Uganda and Ghana). This shows relative changes in the popularity of 'online-' searches, the most popular of which were 'online-grocer' 'online-school', and 'online-casino'. Just as participation in physical spheres was constrained, we see a rise in search behaviour for online alternatives, demonstrating behavioural changes stimulated by the onset of Covid-19. Changing online search behaviours are visible and clear for the world average in Figure 7.10. It is also visible, though less smoothly, in data covering our selection of African countries. The Nigeria and Uganda trends more closely mirror the world average than do those for Ghana and Kenya. However, for many other African countries, the phenomenon is less clear, with trend lines reacting relatively chaotically.

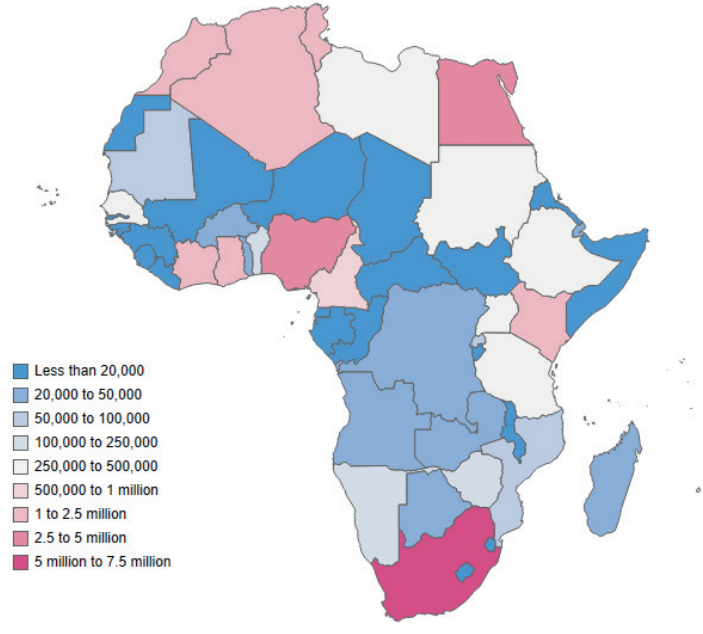
Consumer behaviour changes during the course of Covid-19 are reported to have also resulted in the rapid growth of mobile money adoption in Africa. Mobile money grew about twice as fast in 2020 as pre-Covid-19 forecasts (Anderson-Manjang and Naghavi 2021). This was catalysed by both government and business policy changes, with government services in some African countries only available through mobile money payments and network operators offering reduced costs for mobile money transfers. In Kenya, electronic

Figure 7.8: Number of digital platforms per country, 2020



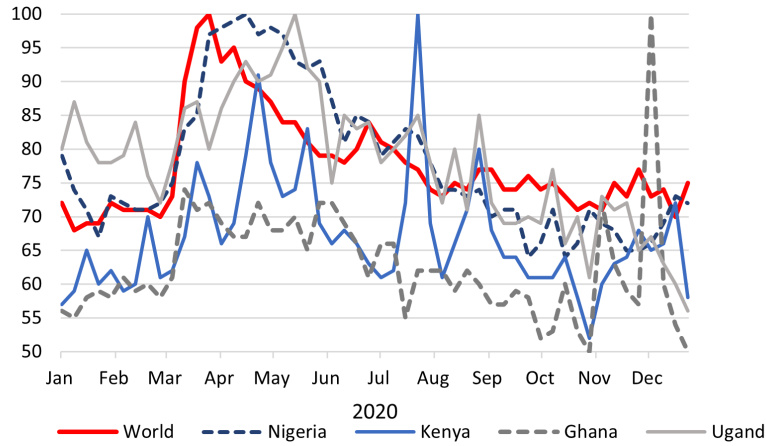
Source: International Trade Centre (2020), p.6, reproduced with permission.

Figure 7.9: Average digital platform traffic per country, 2020



Source: International Trade Centre (2020), p.7, reproduced with permission.

Figure 7.10: Trends in 'online'-something searches, for example 'online-shopping', in 2020



Source: Authors' calculations on the basis of data from Google Analytics.
Notes: Numbers represent search interest relative to the highest point on the chart for the given region and time. A value of 100 is the peak popularity for the term. A value of 50 means that the term is half as popular.

payments were facilitated through Safaricom's *temporary* fee waiver on M-Pesa transactions. Similarly, in Zambia, mobile payment platforms were presented as an opportunity for traders to go cashless, along with an electronic declaration form where traders could pre-declare goods before arrival at the border; one trader from Lusaka interviewed for the IOM's rapid assessments was able to digitally order from the Chirundu border (Zimbabwe) and go to collect the goods (Mvunga and Kunaka 2022). However, these policy interventions have not been the overwhelming tipping point for 'cashless' cross-border trade that might have been hoped. The majority of this continues to be carried out on a cash basis (Luke, Masila and Sommer 2020). Though the incentives are there in Lagos, for instance, the majority of surveyed traders indicated a high level of interest in the use of electronic payment methods post-lockdown, but the infrastructure needs to follow through (Resnick, Spencer and Siwale 2020, p.6). A consumer pulse business survey in 2020 identified a marked shift away from physical banking behaviours and towards online banking for consumers in several leading African countries (Table 7.1). Surveyed Kenyan consumers were as much as 55 per cent more likely to use mobile payment services – made feasible by the pre-existing widespread awareness and adoption of mobile payments options in the country. All of these countries saw reported rapid adoption of online and mobile banking services.

There was an uptake during the pandemic in use by African companies of Chinese e-commerce trade platforms. Following the China–Africa FOCAC-8 conference, e-commerce was facilitated through online shopping festivals to promote African products on Alibaba's eWTP. In January 2022, Ethiopia

Table 7.1: Consumer banking behaviour: consumer pulse survey reported changes in consumer behaviour, percentage, 2020

	South Africa	Kenya	Nigeria	Morocco
Online banking	+30	+37	+37	+18
Mobile banking	+30	+43	+44	+17
Mobile payment	−9	+55	+19	−1
Meeting with your financial adviser in the branch	−32	−28	−18	−9
Phone call with your branch advisers or branch staff	−29	−20	−32	−20

Source: McKinsey & Company (2020), as cited in Futi and MacLeod (2021).
Note: dark blue cells indicate reductions in activity of more than 10%; pale blue cells a reduction of between 1 and 10%; white cells indicate a growth in activity in 2020.

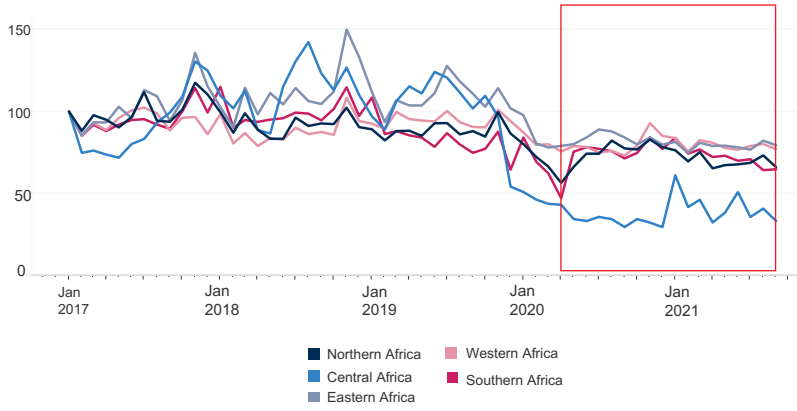
successfully listed a new range of domestic value-added coffee products on TMall Global (one of the Alibaba Group's cross-border online shopping platforms) and, using AntChain's track and trace technology, the coffee was air-freighted from Ethiopia direct to Chinese consumers.

The preceding data points could rightly be criticised as partial. They aggregate information on behavioural changes from the minority of individuals in the continent who are already online, who already receive financial services in some form, and who are from the more digitally developed African countries. As discussed in the previous section, this does not reflect a representative picture, but shows how Covid-19 may have accelerated digital uptake among those for whom access was not an inhibitive barrier.

If we widen our perspective, we see partial evidence that this accelerant effect of Covid-19 on digitalisation in Africa was not necessarily comprehensive. Figures 7.11 and 7.12 draw from the ITC eMarketplace explorer database to show how in aggregate internet traffic actually declined on e-commerce platforms with the onset of Covid-19. This phenomenon was consistent across five African regions (North Africa, Central Africa, East Africa, West Africa and Southern Africa). These trends are likely driven by the broader economic challenges imposed by Covid-19 upon economies in Africa, which affected entire economies and incomes of individuals who might have otherwise engaged in e-commerce.

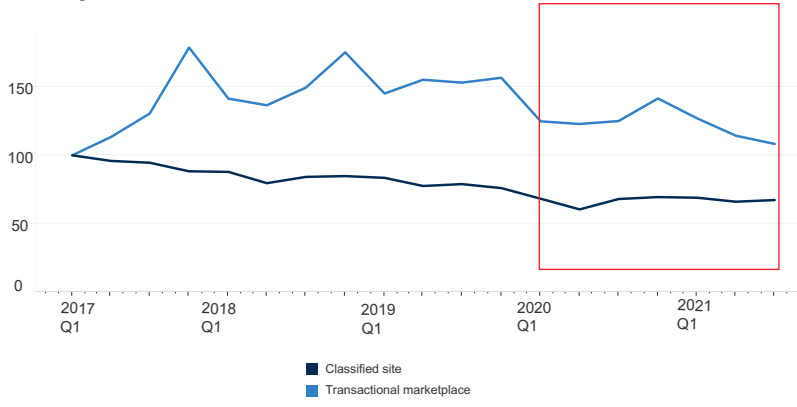
Figure 7.12 shows how this internet traffic slowdown was not equal. Less sophisticated 'classifieds' platforms, which offer merely a site for product marketing and which account for a larger share of platforms in Africa, struggled more than the relatively more sophisticated 'transactional' platforms. The latter include integrated services, such as options for online payments, delivery, or warehouse management. Their relative performance suggests a maturation

Figure 7.11: Digital platform internet traffic index (January 2017 = 100)



Source: International Trade Centre (2022), reproduced with permission.

Figure 7.12: More sophisticated 'transactional' platforms have weathered the Covid-19 storm better than simple 'classifieds' (index January 2017 = 100))

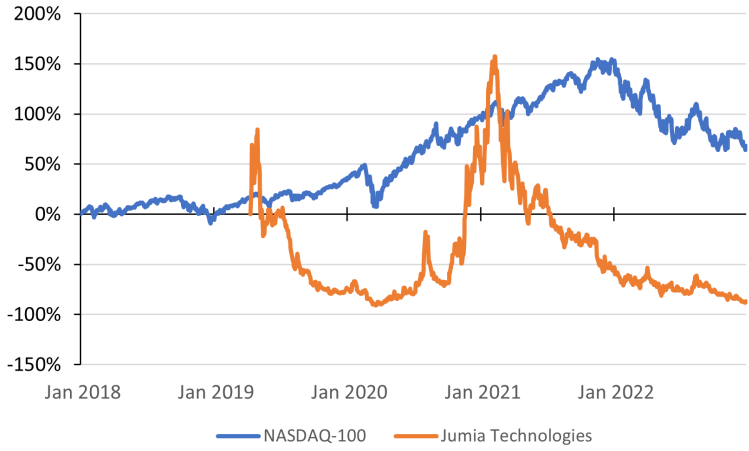


Source: ITC (2022), reproduced with permission.

of e-commerce platforms across the continent, with Covid-19 leading consumers and vendors to increasingly turn to more sophisticated platforms.

Another way to measure perceptions about the performance of the digital economy is through stock evaluations. During Covid-19, the stock market capitalisation of global tech companies, such as those captured by the tech-heavy NASDAQ-100, soared as investors perceived a shift in the future of global market value as a result of Covid-19. There is only one publicly listed company operating exclusively in the African continent: Jumia Technologies. It too was buoyed by the global tech investor wave by the end of 2021 but struggled by 2022, as shown in Figure 7.13. Too much should not be read into

Figure 7.13: Jumia – Africa's publicly listed tech bellwether: bumpy stock performance



Source: Authors' compilation; data from Google Finance.

the performance of a single company, yet the performance of Jumia stock is not indicative of easy times for e-commerce in Africa with Covid-19. As a publicly listed company, Jumia issue regular public financial reports. Their 2020 full-year financial report explained that '[o]verall, Covid-19 had a net negative effect on the business in 2020' and that 'the pandemic did not lead to a drastic change in consumer behaviour nor meaningful acceleration in consumer adoption of e-commerce at a pan-African level'.

Where the impact of Covid-19 has been more dramatic has been in the crafting of narratives and the attraction of policy and business attention to digital challenges and opportunities. The following five quotations are demonstrative of what might be considered a broader *techno-euphoria* catalysed by Covid-19:

> The COVID-19 crisis could be a catalyst [for] accelerating digital transformation. (McKinsey, May 2020, cited in Jayaram et al. 2020)

> There is no doubt that 2020 was a watershed year for the digital transition. (Oxford Business Group, April 2021)

> Africa goes digital. (IMF, spring 2021, cited in Duarte 2021)

> The Covid-19 pandemic is accelerating the arrival of the future in Africa. (Minney [*Africa Business*], November 2021)

> [T]he COVID-19 crisis builds momentum for Africa's digital transformation. (OECD, May 2022)

Such optimism should be considered cautiously. The consulting profession, in need of recurring hot marketing topics, will always have a vested interest in hype to some degree. Policy institutions, too, use hot topics to garner policymaking interest to pre-existing and structural policy issues; if not digital development, that might include food security crises, inflation or unemployment. Crises are useful moments at which to attract attention with which to attempt to drive change. There is evidence that the attention brought to digitalisation is however having an effect on policy attention in African countries:

> The digital economy was not a high priority before COVID-19. Ecommerce was mentioned in policy papers and priority documents but that did not always translate into reality. There are a lot of legal frameworks but few concrete actionable measures. COVID-19 has shown us the infrastructure deficit we face. (ECCAS 2020, cited in Futi and MacLeod 2021)

Since the start of the pandemic, the African Union Commission has launched a Digital Transformation Strategy for Africa 2020–2030. Negotiations for a protocol on e-commerce under the AfCFTA were effectively fast-tracked. The First Africa Heads of State Summit on Cybersecurity was held in March 2022. At the continental level, Covid-19 does seem to have brought the importance of digitalisation and digital trade into the policymaking spheres of attention.

Box 7.4: Digitalising border processes in the Democratic Republic of the Congo

In the DRC, the 'Animal and Plant Quarantine Services' (SCAV) border agency collects a tax on products that the COMESA simplified trade regime (STR) does not provide on exemption on. During Covid-19 this process became digitalised: traders would register and declare the numbers of goods and SCAV would send an automated text with the amount to pay at the bank to clear the goods. Traders appreciated this digital policy move and assessment of goods: 'before they used to pay and did not know where the money went … now there is less paperwork, it saves time and it feels safer' (Bashi 2022a). However, the mobile platform only supported documentation and clearance of the tax certificate; it did not integrate sanitary and phytosanitary measures – 'going digital' did not satisfy all aspects of 'safe trade'. This is just one service that went digital and a number of other customs procedures could still be combined in a more integrated manner and harmonised across borders.

Source: Bashi (2022a).

Digital solutions have also played a role in enabling 'safe trade', reducing the need for physical human contact at borders (Box 7.4). These have ranged from the digitalisation of permits and certificates to cashless payments at the border. While the motivation was to improve public health measures, these government initiatives often entailed secondary benefits, such as improved efficiency or transparency. In some countries processes such as pre-registrations and pre-arrival clearance of consignments were adopted to enable a trader to register and enter goods for clearance on a mobile app ahead of arriving at the border (Mvunga and Kunaka 2021, p.8).

Summary

The prevailing stories thrown up by Covid-19 in African countries are of creativity, ingenuity and resourcefulness, and in general demonstrate a capacity for African trade policy to evolve and to be delivered nimbly. As the pandemic necessitated border health measures, 'safe trade' practices emerged to enable goods trade to flow. When those practices diverged, and made trade difficult between neighbouring countries, regional economic communities demonstrated their agility in harmonising such measures. That provides a lesson for trade policymaking at the continental level, where similar efforts for AU harmonised guidelines on safe trade measures did not deliver on time. If efforts to consolidate African trade policymaking at the continental level are to be successful, they will have to evolve to be more responsive.

Covid-19 interventions did not always work seamlessly or without issues. Safe trade measures frequently overlooked the importance of informal cross-border trade, despite this trade continuing to be a critical feature of intra-African trade and a source of livelihoods. With borders either closed or requiring stringent health measures to be satisfied, some of these informal traders adapted by aggregating their goods into more formalised 'pooled' consignments, while others were pushed to even more perilous informal crossings points to circumvent those measures. These changes seem unlikely to have a substantial and persisting 'sticking power' beyond Covid-19, with traders reportedly likely to return to informal trade routes to reduce tax and regulatory burdens.

Enthusiasm over the opportunity of Covid-19 for accelerating digitalisation and e-commerce – which appeared valid in many more developed parts of the world – seems in African countries to have put the cart before the horse. Covid-19 shifted digital narratives and sparked policy and business attention, possibly more than it transformed digital realities, outside of a few potent examples. Yet that shift in policy attention may yet be harnessed to build momentum and effectively change policies to boost digitalisation in African countries, as demonstrated by the fast-tracking of the AfCFTA negotiations on digital trade and the efforts to adopt digital trade facilitation measures at border points across Africa.

Notes

[1] Early versions of some figures in this chapter were first published in Luke, David and MacLeod, Jamie (2021) 'The impact of COVID-19 on trade in Africa', Africa at LSE blog. 3 December. https://blogs.lse.ac.uk/africaatlse/2021/12/03/the-impact-of-covid-19-pandemic-on-trade-africa-afcfta/

[2] See Statement by the Africa Group, 'The Work Programme on Electronic Commerce: 20 October 2017', JOB/GC/144 (20 October 2017).

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