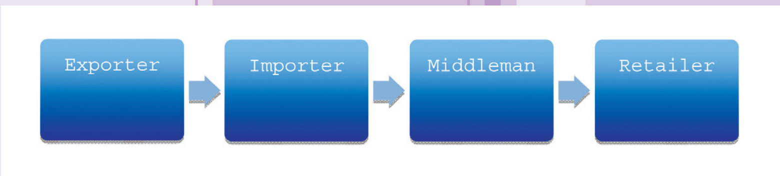
The International Trade in Secondhand Clothing: Managing Information Asymmetry between West African and British Traders



Abstract

The nature of the international trade in secondhand clothes is such that the Igbo importer in West Africa cannot know what specific items of clothing are packed in the bales supplied to him from Britain. Since he is not there to pick and select at the sorting factory of his supplier, how is he assured of the quality of the clothes he is importing? The question of information asymmetry is at the heart of this article. An empirical description is provided here of what goes on within an international network of traders in secondhand clothes in relation to quality assurance on items of clothing that cannot be viewed by the importer until the bales are opened up in West Africa. Such assurance is shown to depend on certain practices in the trade, especially the seconding of an apprentice from the shop of the Igbo importer to the sorting factory of the British supplier. The article also explores how the commercial problem of quality assurance is resolved through relationships of trust and cooperation. Importers jostle to establish such relationships with suppliers that understand the subjective as well as pragmatic factors determining the quality of secondhand clothing imported into the West African market from Britain.

Keywords: recycling, trade, quality, information, waste, Africa, Britain

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Introduction

The relationship between a West-African-based secondhand clothing trader and his British supplier is one that has to be kept at a certain kind of balance. Information management is central to how this balance is maintained. Because the content of the bales that are packed and exported from Britain to West Africa has to remain "unknown" to the importer, there is a level of secrecy built into the nature of the relationship between him and his supplier. However, even when a lack of the knowledge of the imported content is built into the business model, in the interest of both parties, the party that has the information about the content has to find a way to let the other "know" the content, in order to assure him of the quality of the export. Put in another way, it is in the interest of both the exporter and importer to manage the problem of information asymmetry that is inherent in the trade because at the end of the day, the trader in West Africa must be provided with some assurance as to the quality and, indeed, utility of the articles of clothing that are being sent to him. This article discusses how Igbo secondhand clothing importers in Cotonou, Benin Republic, and their British exporters manage to overcome the problem of quality assurance that arises from the information asymmetry environing the trade in secondhand clothes.

As Karen Tranberg Hansen has shown in several publications in which she examines the cultural practices embedding the consumption of secondhand clothing (cf. 1994, 1999, 2000a, b, 2005), the international trade in secondhand clothing combines production, distribution, consumption in a way that makes it very difficult to delineate these stages. Here, I build on that insight by focusing on and analyzing the relationship between the exporter and the importer. As I will show below, the work of distribution, with which this article is primarily concerned, is informed by how much the parties involved in the distribution have access to good quality, well-sorted secondhand clothing, which in turn depends on how much they can incorporate lessons learnt from the consumption end of the trade. In order to provide a context for the trade, I will first very briefly present how the trade emerged and came to assume the shape it currently has.

The trade in imported secondhand clothing in the two West African countries of Benin Republic and Togo is dominated by the Igbo, an ethnic group that is native to Nigeria, and whose home area is in the southeastern part of the country. The business initially started in Nigeria in the 1940s, when traders of Igbo ethnic extraction procured ex-army supplies from ships that were berthed in Port Harcourt. By the late 1950s, as demand grew, many of the traders became directly involved in the importation of secondhand clothing from Jewish merchants in New York. With time, the trade expanded to the point that secondhand clothing was being re-exported from Nigeria to other West African countries (Forrest 1994: 178–9). The traders would pack bundles of secondhand clothing onto trucks and buses that would transport them from the southeastern part of Nigeria to Ghana,[1] with stopovers in Benin Republic and Togo. However, this state of affairs was to change in the latter part of the 1960s, when the Nigerian civil war—the "Biafran" war—which lasted from 1967 to 1970, broke out. Many Igbos, who at the inception of the war had taken secondhand clothing to neighboring countries, and some to as far away as Central Africa, could not reenter Nigeria. Most of them decided to settle where they were when the war started, obtained United Nations refugee passports, and were able to start importing secondhand clothing into their host countries.

Today, Benin Republic is the major entrepôt for secondhand clothing into Nigeria. The reasons for this are linked to certain developments in the global political economy in general, and that of the West African region in particular, during the 1970s and the 1980s. One of these developments was that, during the oil boom years, Nigeria decided to adopt import prohibition as a trade policy instrument (Bankole *et al.* 2005; Schatz 1984). This includes a ban on all textile products, including secondhand clothing.[2] Another factor was the monetary and trade policies that Benin Republic pursued. Benin's currency—the CFA franc—was, and still is, internationally convertible as it is pegged to the French franc. With the introduction of the euro the French treasury, under a special arrangement, was able to have the CFA franc pegged to the euro (see Fielding and Shields 2001; Irving 1999). This means that a trader who holds CFA francs in effect holds euros. This solves a lot of the problems of getting foreign exchange for international trade (Hashim and Meagher 1999). Benin has also pursued a trade policy strategy of re-exportation to Nigeria (Igue 1976; Igue and Soule 1992). Thus, almost everything that is banned in Nigeria can be imported into Benin, with the knowledge that it is going to be re-exported to Nigeria, mostly illegally. Since the single largest income earner for the Beninese government is the port of Cotonou (Bako-Arifari 2001), and since most of the goods that are imported into Benin get smuggled into Nigeria, one could say that the Beninese economy is heavily dependent on its status as an entrepôt economy for Nigeria. One finds, for instance, that Benin, with a population of less than nine million people, imported close to 40 million kg (worth about US$37 million) of secondhand clothing in 2005 (see Table 1).[3] Most of these end up in Nigeria. In the case of secondhand clothing, the main source country is Britain (see Table 2).

Although this article is not about the relationship between Benin and Nigeria, or the trade policies of the different countries that are mentioned in the article, the foregoing information provides a background for the problem that is tackled here. This problem can be posed in the following way: a secondhand clothing importer who is based in Benin or Togo pays for and imports secondhand clothing that is packed in bales that remain unopened from the store of the British exporter till the consignment gets to the store of the final retailer. This could be a store in Benin, or across the border in Nigeria. There are, however, at least two categories of traders in the network that do not get to see the content of the bales.[4] These are the importers, who deal directly with and import from the British exporter, and middlemen who buy the bales from the importers and sell them to those who finally open up the bales and sell the pieces of clothing (Figure 1). Nobody in these two categories of traders sees the content of the bales.

One of the main reasons that the bales remain unopened until they get to the final retailer is that some retailers who sell pieces of clothing do not buy whole bales by themselves. These retailers would rather pay others who buy bales

Table 1
Value of imported clothing from the UK in dollars.

Year	Value of imports from the UK (US$)	Total value of imports from the whole world (US$)	Import from the UK as percentage of total imported used clothing (US$)
2001	10,730,846	30,005,947	37%
2002	18,278,975	37,500,171	47%
2003	18,228,054	34,143,410	52%
2004	17,428,004	31,428,004	54%
2005	17,950,966	36,891,691	50%

Table 2
Value of imported secondhand clothing from the UK in kg.

Year	Weight of imports from the UK (kg)	Total weight of imports from the whole world (kg)	Import from the UK as percentage of total imported secondhand clothing (kg)
2001	14,581,789	40,774,080	37%
2002	24,712,042	50,422,364	47%
2003	20,777,334	38,098,165	52%
2004	18,490,238	33,445,339	54%
2005	18,995,245	39,072,197	50%

Sources: UNCOMTRADE dataset.

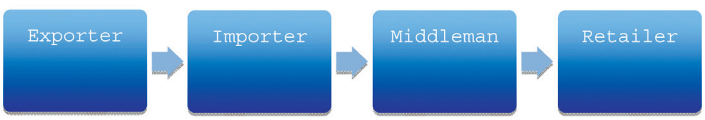

Figure 1
The movement of the commodities. Only those at either end actually see the content of the bales.

and thus secure from them the privilege of being the first to make selections of pieces of clothing when the bales are opened. These retailers have to witness the opening of the bales, otherwise they could not be sure of the veracity of the claims that nobody else has already selected the best articles in the bales. The traders who do this are mostly those who select high-end brand names to be sold on university campuses or to bankers and other professionals. To recapitulate, the importer does not get to see the content of the clothing that he pays for, and the bales' retailer, the middleman, does not get to see the content of the bales he buys from the importer.

The problem stands in sharp relief once one understands that at the British end of the trade, there is a high level of subjectivity in the grading of the goods. The decision on what constitutes the "cream" of secondhand clothing, according to the British exporting company, is highly subjective and varies from firm to firm (see Botticelli, this issue). One would, for instance, find that the contents of a bale that is graded A—the best grade—by an exporting company, could be similar to the contents of a bale graded B by another company. This therefore means that there could be a wide disparity between different Grade As, up to the point that the label Grade A itself in the market does not mean much. As Lucy Norris (2005) has shown in the case of Indian secondhand clothing traders, brand recognition in the market, backed up by personal relations, helps reduce the level of uncertainty. This relationship of association—of exported bales of secondhand clothing as brands—is one that may take years to create; thus the most meaningful brand recognition in the market is the one developed between the exporting firm with the aid of his customers in Cotonou.

With the knowledge of the foregoing, one could, in posing the relationship between the British-based exporter and the Cotonou-based exporter, employ slightly more technical terms and describe it as a problem of information asymmetry, stacked against the importer. In this article, I argue that despite the existence of this particular kind of information asymmetry, some importers and exporters are able to find a way to manage the quality problem. I also argue that the success of a British-based secondhand clothing exporting firm, and a Cotonou-based secondhand clothing importer, depends on their ability to cooperate and manage this information asymmetry. Before going into the interactions of the different actors that make up the case study, I will first discuss information asymmetry and the analytical categories that I use to describe the goods in the Cotonou secondhand clothing market.

Information Asymmetry

The subject of information asymmetry treated by George Akerlof in the context of the market in used cars (1970), to a certain extent, illuminates the problem in the secondhand clothing market, which this article deals with. Akerlof theorizes the market in used cars thus: let us assume that there are good used cars and bad ones (lemons) in the market. When a person goes to buy one he is not sure of the quality of the car he plans to buy. There is a possibility that the car might be good, just as there is a possibility that it might be bad. After the buyer has bought and used the car for a while, he can tell whether the car is good or bad. If he then decides to sell it on, he has a lot more information about the condition of the car than the person who might buy it from him; an information asymmetry thus exists in the market, since the person who decides to sell his car off knows a lot more about the car than the person who wants to buy it from him. The problem also translates to other contexts. Akerlof argues that one can find a similar situation in the medical insurance market. The state of the health of the person who seeks insurance is known only to him, and not to the insurer. He could be seeking insurance precisely because of the knowledge that he is predisposed to certain conditions that the insurance will, among other things, cover. In order to address this, insurers often use the price mechanism. Owing to the fact that the higher the insurance premium and the higher the possibility that those who will buy it are those who are most in need of it, it is most likely that as the insurance premium rises, the average medical condition of premium holders deteriorates. This leads to a situation in which a lot of older people, who are more likely to be predisposed to become unhealthy, would find it difficult to pay for medical insurance.

These two examples capture the state of information asymmetry in the secondhand clothing market. The exporter, standing in place of his staff of sorters, is the only one who is aware of the quality of the clothing he is exporting. Even if the importer has traveled from Benin to Britain to visit the firm of the exporter at some point, it is highly unlikely that he would be able to be there each time his consignment is packed and shipped. There is, however, a difference here. For, in this particular instance of information asymmetry, it is in the interest of both parties that the information asymmetry is reduced, especially as regards the content of the bales. By the very nature of the trade in secondhand clothing the kind of information asymmetry that is present is inevitable. For if bales of secondhand clothing are to be sold as single, closed, imported items, the importer would have to remain ignorant of the content of the bales. However, in most cases, both parties—the importer and the exporter—would like to have the quality of the content of the bales to be as high as possible, in order to have a large share of the market. This thus calls for a way to let the importer "know" the content of the bales, and thus be able to influence the quality of the content. If this is done well both parties are happy. The quality of the export commodity improves and the exporter's market share increases; the quality of the imported commodity increases and the market share of the importer in Cotonou increases.

There are different ways of reducing information asymmetry. In the case of the arts market, this is done by the establishment of personal relations between art dealers and art collectors (Plattner 1998: 490). In this case, a relationship of repeat patronage, founded on repeat purchase, is established between buyers of goods and services and their purveyors. One would find this kind of situation in the Morocco bazaar (Geertz 1978: 30). In other markets, reputation, as embodied in brand names, helps to reduce the uncertainty that comes with information asymmetry (Akerlof 1970: 500). One can, for instance, be sure of the quality of a suit branded as Armani. A combination of these different strategies is present in the secondhand clothing market. The establishment of personal relations, repeat patronage, and what is closest to brand recognition in the secondhand clothing market is created. I describe this process as the creation of standardization.

Creating Standardization

Clifford Geertz describes the Sefrou bazaar in Morocco as a place of confusion, confusion that is underlined by the lack of reliable information about the goods that are offered in the market. This situation is such that when one first arrives at the market, one is thrown into utter chaos. He writes of a "network of periodic markets, centred on the town by spreading out through the neighbouring countryside" (Geertz 1979: 126). Building on Geertz's discussion, Frank Fanselow (1990) argues that Geertz failed to consider the differences in the categories of goods traded in the bazaar, and how that difference affects the organization of the market, the relationship between the buyer and the seller, and the state of information concerning the goods. The goods found in a bazaar, according to Fanselow, fall under two broad categories, non-standardized and standardized goods.

This distinction, argues Fanselow, invariably affects the organization of the market. The fact that some goods are standardized helps alleviate the problem of asymmetry of information in the market, a problem that forms the crux of Geertz's analysis of the Sefrou bazaar economy. In making the argument, Fanselow also points to the existence of a market in standardized goods in the Sefrou bazaar: "the more Westernised business district of the so-called new town" (Geertz 1979: 126). Fanselow's main points can be summarized thus: the goods in which there is information asymmetry are the goods that lack standardization, and they are the commodities over which people haggle, and that are prominently characterized by bargaining. Standardized goods, on the other hand, do not present the problem of the asymmetry of information that is inherent in the trade in non-standardized goods. The prices and quality are known, thus providing "efficient channels of communication between producers and consumers, which are independent of the chain of intermediary traders and middlemen" (Fanselow 1990: 253). This categorization according to standardization is the framework that he offers for studying the bazaar economy. Thinking with these categories also aids one in understanding certain characteristics of the trade in secondhand clothing.

Anybody who has ever been to a West African market would recognize the similarity that it bears to the bazaar that Fanselow and Geertz describe. In the cases of the secondhand clothing market, the similarities, however, go beyond the physical characteristics. In the Cotonou market, goods from certain exporting firms are regarded as belonging in the category of goods that one, following Fanselow, could describe as standardized. These are not only analytical categories to think with, they are also categories that are often drawn by the traders in the market. Due to values believed to be inherent in brands, whenever a retailer gets to the shop of an importer, the first thing he asks for is the source, or exporter, of the goods that the importer stocks. If the goods are from an exporter who is known for the quality of his goods, the importer could almost name his price. However, if the goods are from an unknown or untested source, the retailer would either move on to the next store to find out whether they have goods from well-regarded exporters, or decide to stay and see whether he could try out the untested goods. In the case of those who decide to stay and try out the untested goods, one could be sure of a drawn-out haggling process, in which the buyer tries as much as he can to pay the least price possible for the untested goods. For is he not taking a whole lot of risk by buying bales of clothing from an untested exporter, bales whose content he cannot even see to know whether they are good enough?

In summary, at the mention of goods that can be described as standardized, there is hardly any haggling, and the traders who buy them from the importers know of their reputation as good quality products. The possibility of getting the importer to "know" the content of the bales of secondhand clothing is what is responsible for the existence of standardized goods. Knowing is of course not enough, as that knowledge does not mean much if the importers cannot exercise any control on the content of the bales. Most of the goods that belong in the "standardized" category are from Britain. This is because with Britain, it is easier to get the importer to contribute to the improvement of the content of the bales than with most other countries from which secondhand clothing is imported. A combination of Britain's relatively large commercial textile recycling industry and its visa regimes are responsible for this. However, the most important factor in all these is the existence of a pool of young men from which the trade network taps in order facilitate the improvement of the content of the bales.

Igbo Apprenticeship

It has already been mentioned above that the particular configuration of trade in secondhand clothing with which this article is concerned is dominated by Igbo traders. What needs to be added is that almost all the traders are from two villages in Igboland. The apprenticeship institution, for which the Igbo are famous, (see Chukwuezi 2001; Nnadozie 2002) is the factor that is most responsible for this. In precolonial times, young boys were attached as apprentices to craftsmen from their villages (see Dike 1979; Neaher 1979). They would be trained in their craft during their apprenticeship period, and when the period is over, they would start up a business on their own, recruiting apprentices as they progress in craftsmanship, thereby continuing the cycle. The system was regulated and monitored by a guild system, similar to the medieval European guilds (Dike 1979: 237; Epstein 1998; Neaher 1979: 357). This system has been carried over to the period during which the Igbo are no longer involved in their native craft, but are better known as traders. These days, boys are sent to successful businessmen to learn their trade while in their mid-teens. In the case of the villages that are most involved in the secondhand clothing trade, most of the successful businessmen are secondhand clothing traders. During the apprenticeship period, which can be up to six years, they work for their masters for free. After apprenticeship, the master is supposed to give the former apprentice a lump sum of money in order to help him establish his own business. Apprenticeship is based on kinship, such that a master's team of apprentices would almost always be made up of distant kin. The apprenticeship institution is also what the network of traders use in helping to "create" standardized goods.

One thing that marks out the most successful British secondhand exporting firms is the level of participation of the Igbo importer in the business. Since taste is highly subjective and constantly changing, it is the lot of the exporter to keep abreast of these changes. This is where the apprentice comes in. Large-scale importers of secondhand clothing send an apprentice to the British exporting company, where the apprentice would act as a quality assurance person.[5] He makes sure that what is sent to the West African market is what the people would buy. At the same time, he also helps his boss overcome the information asymmetry problem that is stacked against him by inspecting what is actually exported to him, something that he would never have known if he does not have someone working for him there. At any particular time, there are a number of apprentices of Cotonou-based importers working in many British secondhand clothing sorting firms. They generally do not receive a salary from their host firms. They get free accommodation and some allowance for their travel expenses to and from the sorting factory. The exporter, therefore, gets almost free labor from people who at the same time help sharpen his grading decision. The following cases will help illustrate the relationship between the different actors in the trade network. The first is that of an importer of standardized goods and the relationship he has and maintains with his exporter; the second is that of an importer of non-standardized goods and his interactions with his exporter. It also shows the process of conversion of non-standardized goods into standardized ones.

Standardized Goods

I first met Tony[6] in Cotonou while I was on fieldwork.[7] After his secondary school education his parents sent him to his maternal uncle who was a very successful secondhand clothing trader. The uncle first went to Benin shortly after the Nigerian civil war to join his own brother, who was one of those who could not return to Nigeria when the war broke out. Tony told me that for a young man whose parents could not afford to pay his university fees, and who in any case did not have the grades to go to university, the only viable option was to join the secondhand clothing trade. Since his uncle was close to his mother, it was not difficult to decide that he was the one to whom Tony would be sent. Tony started his apprenticeship in 2000, and by 2007 he was in charge of one of the two stores that his master and uncle had in Cotonou.

When I met him in 2008, his master had just decided to send him to the exporter in England. He was to replace the apprentice who had been there for a while, but who had decided that he wanted to quit his apprenticeship. With the help of the exporter he was able to obtain a six-month business visa and he left for England in September 2008.

When I met him in England in February 2009, he invited me to the accommodation the exporter provided for them and told me about the money that they normally got from the exporter for travel expenses. Each morning, he and the other Nigerians who work with the exporter would head for the factory, where they would be the ones to pick the pieces of clothing that go into the bales that are exported to West Africa. He invited me to work with them once, and showed me the sorting process. The vintage wear and the "heavy items" (Winter clothing) in the bundles of secondhand clothing would have been picked off before the pieces of clothing on the sorting belt get to where they stand in the sorting line. At their end of the belt, they would pick the pieces of clothing that they consider would meet the taste of Nigerians. The rest, usually of relatively to very low quality, would move off towards the final end of the line, where others are positioned to pack them into bales that go to other destinations. When I offered to help them in the sorting, I was reminded that as a Nigerian, I should make sure that I do not select any item of clothing that had any blemish, because it would end up on the bodies of my Nigerian brothers and sisters.

For Tony and the other apprentices, this is almost always an excellent deal. They end up making a lot of money by also acting as agents for other Cotonou-based importers who would love to access the market in standardized goods. The market in these goods is often already captured by certain importers, and the only way to access them is by going through the apprentices who work in those companies. Once it is established that the goods from a certain company are good enough, and that one could maintain a certain level of profit from it, an importer would normally decide to commit to the company by depositing some money with the exporter. Whenever it is time to ship goods to the importer, the exporter simply deducts the value of the consignment that he sends to the importer from the money that is already in his account. In cases where an importer is not comfortable enough with this arrangement, the exporter helps him open an account in Britain. The account would be regularly credited with money by the importer, and the money would be transferred into the account of the exporter as the orders are filled. The latter is also normally done by large secondhand clothing exporting firms that deal with a variety of importers on a regular basis. It is also increasingly preferred by importers who find that it is better to have some measure of control on the money they deposit in Britain, rather than leave the money in the hands of the exporter. In the experience of some importers, exporters have gone bankrupt while still holding their deposits.

Since the containers loaded by the large secondhand clothing firms that export standardized goods are almost always fully booked, only someone who is an insider—like an Igbo apprentice who works there—can help an unknown importer gain access to the company. The apprentice, who represents his master, could divert part of his master's quota to another importer in Cotonou. When it is time for his master's quota to be filled by the exporter, the apprentice would give the name of the other importer to the exporting company, and receive a commission from the importer for doing this. Because the company to which Tony was sent by his master exports good-quality goods, a lot of the apprentices are involved in this kind of deal, and Tony reckoned that he too would become involved in it once he understood the way things worked very well. Some of the apprentices even start up their own importing businesses with partners in Cotonou. They would divert some of the goods meant for their master to the partner and simply tell him that things have been rough at the factory and the master's order could not be filled on time. That is how the apprentices make money, and that is why they consider it a good deal, in any case, to work at the sorting firms without pay.

Non-standardized Goods

For the exporters of non-standardized goods, the task is a little bit more daunting. While I was in Benin, I saw the beginnings of a relationship between an exporter and an importer, and saw how they came to the agreement that they would try to improve the quality of the goods they offered in the Cotonou market. The experience of Jude, the importer in this case, with two different exporters, will help to illustrate this kind of relationship, and also why an importer might choose to buy non-standardized goods.

Jude, who runs a secondhand clothing shop in Cotonou, had a relation who was one of the apprentices in Feat Textiles, one of the British firms that export standardized goods. He approached him to see whether he would help him gain access to the goods. The person helped him, but like most other reputable exporters, the company was oversubscribed. He was able to get some supplies but the infrequency meant that his money was tied down for too long. And for as long as his money was with the company, he was unable to invest in goods from other sources. For instance, he would sometimes get consignments from Feat Textiles five months after he had paid for them.

While complaining to someone about not finding reliable sources of goods, he was told that there was a new company in England, Forest Textiles, with whom he might consider dealing. His first thought was that he had to increase the amount and quality of information he had on this new source of goods. He asked the person who informed him about the company to help him get a price list of the goods, a list that is normally sent to the importer by the exporting company. He got the list but was still unsatisfied, so he decided to do some more study of the market to find out how Forest goods were actually doing in the market. He was willing to work with a new company, but he wanted to be sure that he would not incur an absolute loss if he decided to buy the goods. Therefore, he asked the person who introduced him to the company if there was any other person in Cotonou who patronized the particular company. After he was told that there was one person who was already doing so, he decided to find out the quality of the goods, and the profit margin on them.

First, he sent one lady to help him find out how the goods are perceived in the market. The lady came back with a report that was just satisfactory—the goods were OK in the market, nothing special, and nothing too bad. She also brought him the going price range of the different items (bales) of the goods in the market. He compared this with the price list that he was already given, did his math, and decided that it was worth giving it a shot. But still, he decided to further acquire more information by sending someone to find out what had been the experience of the only other person who was importing from the same company in Cotonou. The information that Jude was able to gather satisfied him up to the point that he decided that he would have a first run. He told the person who informed him about the exporter that he was interested in importing the goods. The person told him that a former schoolmate who was then living in London had a direct relationship with the exporter. He asked the schoolmate to talk to the exporter on behalf of Jude. This he did, and the following week Jude called the exporter himself. They discussed the pricing of the goods, agreed on how much he would have to pay before the exporter started filling his order and how long it would take before he got his first consignment.[8]

In October 2007, Jude sent £10,000 to the exporter and, by December, his first consignment of one 40-foot container of Forest Textiles' secondhand clothing was delivered. He sold the goods from December through January 2008, when I arrived in Cotonou. He made a profit of 3 million CFA francs (just a little over 4,500 euros) on the order, an amount that was rather small. This rate of profit was due to the items that were included in the shipment. Some items are always in higher demand than others in the market such that a trader could lose money on certain items while making money on others, spreading the risk.[9] The profit margin is thus often determined by whether one has more or less of particular items. In this particular shipment, for instance, there were nine bales of men's trousers (not so much in demand in the market). The cost price of each bale—as documented in the price list that was sent to Jude—was the equivalent of 146,000 CFA francs (223 euros); he sold each one for 110,000 CFA francs (167 euros), which meant that he was losing about 35,000 CFA francs (54 euros) on each bale. On the other hand, there were twenty-seven bales of ladies' T-shirts; each came with a cost price of 76,000 CFA francs (116 euros), and he sold them for 90,000 CFA francs (137 euros), making a profit of 14,000 CFA francs (21 euros) on each bale. There were also other items on which one would always incur a loss. There is a category of goods that are described as "Heavy Items." These are winter jackets that somehow find their way to a tropical West African market. The buyers of these items are mostly traders who travel to Europe, America, or Asia, and the importer who gets the items is sure to incur a loss on them. In the case of this particular shipment that Jude received, the men's trousers were what eventually affected the profit margin. There were just too many of them, such that it was difficult to cover the loss incurred on them by the profit made on the other items.

Exporters normally tell importers that they would have to take a certain amount of certain products in order to get the more desirable ones. But the problem for those who do not have representatives in the sorting factory is that they never know exactly how many units of a certain item are in a consignment until they get the list that is sent to them with the bill of lading. By the time one gets the list the goods are already on their way to the importer, and it is normally too late to do anything. Therefore, apart from having well-sorted items, it is important to have items that are in demand in the market. There is, for instance, no point having a well-sorted bale of winter jackets in tropical West Africa. Another problem is that some other exporters would send a false list to the importers.

Between December 2007 and August 2008, Jude had imported six consignments from Forest Textiles, in comparison with Texters, another company from which he imported during the same period, where it was taking him up to four months before an order could be fulfilled, or Feat Textiles, which took five months. In the case of the latter companies, his money was being tied up for much longer than he would like, although the profit was considerably more than what accrues from consignments from Forest Textiles. In addition to the fact that in dealing with Texters and Feat Textiles his money was tied up for a long time, there were associated risks like being duped by an intermediary who holds the money, a problem that no longer existed in the case of Forest Textiles after the third consignment, since by then he was dealing directly with the exporter. He was not making a lot of money from the goods, but he was on the way to establishing a relationship with the exporter. He would call him directly whenever he had any problems with the goods. Even on the fourth consignment, he still complained about the quality. For instance, the end retailers found woolen skirts in bales of ladies' cotton skirts, they found "heavy items" in ladies' cotton blouses, and they found joggers that would fit eighteen-year olds in bales of children's joggers. He sent the exporter an e-mail to that effect. The following day the exporter called him to apologize for the mistakes, assuring Jude that he had forwarded the e-mail to his staff. The exporter also thanked him for the contributions he was making towards the improvement of the quality of his exports. By the sixth time there was marked improvement in the quality of what was exported to him, although there were still complaints. Jude's profit margin was also improving markedly.

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The profit, as at the sixth consignment, had risen to about 7 million CFA francs (10,672 euros), this in addition to regularity of delivery. By the time I left Cotonou in 2008, Jude was considering taking on more apprentices so that he would be able to send his current apprentice to work at Forest Textiles factory to make sure that they kept improving the quality, after which the important thing would be to ensure getting premium goods that are up to the highest standards in the market. This would also ensure that he continues to have a stake in the company and receive preferential treatment as the company expands and the goods become more standardized. For, once that happens importers are sure to rush to the exporter, seeking supplies.

More than Just Information

It should be said that a lot depends on other factors apart from the efficient management of information. These include the ability of the exporter to maintain and expand his sources of supply within Britain. But that is a variable that an importer cannot influence, even if he would like to. The important thing to him is the quality of the goods that he gets, and getting constant supply of goods from the exporter. Even information economists accept that reducing information asymmetry alone does not improve market efficiency; other variables have to be present (see Stiglitz 2000). One could then say that, every other thing being equal, by establishing a regular conduit of information provision an importer would improve the quality of the goods that are sent by the supplier. In the particular case of Jude, the feedback loop that was set up had started to function, and if the quality of the goods and the profit that Jude was making is anything to go by, Forest Textiles goods were on their way to getting standardized. These days, when a retailer wants to buy Forest from Jude, not much haggling goes on. Repeat purchases mean that a certain price has emerged as the price around which the eventual selling price would be. The settling on a narrow price range also means that the goods are good enough for the retailers not to offer ridiculously low prices for them. As I mentioned above, once the quality of the goods is poor, retailers reduce the amount they are willing to offer for them.

Before I conclude, let me briefly say something about other source countries of secondhand clothing, apart from Britain. Britain became the main source of secondhand clothing to West Africa in the 1980s. Before then, the main sources were mainland Europe and the USA. Those who used to stock German or Belgian goods, for instance, say that they stopped doing so because they were making little or no profit, and those who still stock them say that they are not making a lot of money on them. Those who are making money from dealing in clothing sourced from Germany or Belgium make it by importing a lot and by dealing directly with small-scale retailers who open up bales to sell, thereby cutting off the middlemen who retail bales. Some traders stock these goods along with those from Britain. Most of my informants who were already in Benin during the period when Britain became the main source of secondhand clothing say that the emergence of Britain is due to the fact that the taste of Nigerians, the principal consumers of the products, is geared towards British goods. This may be true, but a greater role is played by the inability of Igbo importers to deal with the problem of information asymmetry in the case of non-British goods.

Ultimately, what affects the reception of goods from a particular source is the quality of the goods, and what affects the quality of the goods is the sorting process, that ensures the right clothes for the climate, taste, and purchasing power of the end market. As I have shown above, the level of participation of the importer is important for the sorting process. In the case of Germany, for instance, importers cannot send their apprentices to go and work with the exporter; the visa regime makes that almost impossible. An applicant is issued with a visa with the exact number of days that it would take them to "inspect" the goods that are to be exported, the usual reason given while applying for a visa. There are cases where people have been issued visas for less than a week. This invariably limits the amount of participation an importer can have in the business of the exporter. While, in the case of Britain, the shortest period one gets for a visa is six months. With that, an apprentice can stay for two periods of three months each to work in the sorting firms, thereby serving as the information conduit and quality assurance person for Benin-based importers.

Conclusion

As I have shown above, one thing that stands out in the trade in secondhand clothing is the lack of standardization. There is great subjectivity in the determination of the quality of secondhand clothing. The result is that what one exporting company would categorize as Grade A—the best grade—another might categorize as B—the second best grade. Different factors account for this difference in categorization. One of them is the type of goods that the exporter is able to source in Britain. The other is the ability of the exporters' sorters to distinguish between what is good quality and what is not.

However, even in the world of uncertain quality and subjectivity in quality determination, there are those companies that have been able to make a name for themselves in the market. At the mention of the names of those companies as the source of the goods that an importer stocks, there is often no need for haggling between the importer and his customers. They are premium brands that have managed to move from the realm of non-standardized goods to that of standardized goods. Those are the goods that importers want to stock, but the problem is that those companies are mostly locked into a relationship with certain importers, and it is often very difficult to establish a new relationship with them. The situation is such that the most desired goods in the market are captured by certain importers; but there are ways for new entrants to gain access to those sources, largely by going through apprentices of some of the traders who have captured the market. These are sometimes apprentices who are sent to Britain by their masters, and who sometimes act as brokers for those who want to gain access to goods from those premium suppliers.

I have argued that success in the trade revolves around the ability of an exporter to "produce" bales with clothing of good enough quality. This in turn depends on an established information channel, which stretches from West Africa to Britain, and which is embodied by the agent (mostly apprentices) who is sent by the importer to act as a quality control person who assists in sorting the exported clothing to the required market standard.

Notes

1. Ghana was then known as the Gold Coast, and Benin was called Dahomey. For the case of consistency, I have decided to use the current names of the countries.
2. Although in 2010, the Nigerian government decided to replace the ban on textile products with tariffs, the ban on secondhand clothing is still in place.
3. Source: United Nations Commodity Trade Statistics Database (www.comtrade.un.org; accessed May 2, 2010).
4. There are other categories of traders such as brokers, who sometimes help importers and retailers to find customers; and in the case of the bales of clothing that end up in Nigeria, there are smugglers who transport them across the border. The two categories that are mentioned here are, however, the ones that are

most directly involved with the clothing, but that do not get to see the content of the bales.
5. Many factories also employ those who are already based in Britain. As I explain in the next few sentences, the apprentice is an apprentice to the importer, and his loyalty is supposed to be towards his master. He is primarily in Britain to help his master get good quality products. The fact that the exporter is also helped in the process because the quality of his export increases is somewhat a byproduct of the process. The story, as I show below, is actually never this straightforward.
6. The names used here have been fictionalized, as have the names of the secondhand clothing exporting firms that are mentioned in the article.
7. I spent ten months in 2008 researching the West African trade in secondhand clothing. Much of that time was spent in Benin Republic, but I also spent time in Nigeria and Togo. I later went to England in 2009 for two further months of fieldwork.
8. In this case, it was agreed that he would pay in full from the beginning, because of the personal assurance of those who introduced him to the exporter. Like most of the traders in secondhand clothing, all those who were involved in this were from the same village. This, however, is not a guarantee that one would not be duped. Jude said that at some point one just has to go with one's instincts when deciding whom to trade with.
9. See Wan (2001) for a similar discussion. She describes how Yoruba women traders spread risks by selling different goods, so that if there is low demand on one, or if they lose money on one item, they can make up for it on other items.

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