

The Challenges of Cotton Sector Reforms in West and Central Africa

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The challenges facing African agriculture are well known: they include stagnant or declining yields, reduced access to markets, low returns and environmental degradation. The remedies, however, are less self-evident, continuing to generate heated debate among policy-makers, especially when it comes to major commercial crops such as cotton.

With recent literature demonstrating the pitfalls of conventional approaches that advocate liberalization of agricultural markets and privatization of state-owned marketing boards, many have argued, both in academic and policy circles, for the need to pay more attention to the instances of market imperfections, and the role of institutional and non-price factors. While welcoming these more nuanced perspectives, major donors, such as the World Bank, have found it difficult to translate them into alternative policy recommendations. One reason is the persistence of two main tenets: that state companies are always wasteful and pay farmers lower-than-market prices, and that greater efficiency can be achieved only by aligning actors' incentives with price signals. In practice, this has meant that pressures for governments to priva-

tize agricultural parastatals and liberalize markets have hardly relented. The outcomes have been varied, but always very different from those predicted, with countries' resisting donor recommendations (Mali and Cameroon), transforming them (Burkina Faso), or adhering at first, but then thwarting them during implementation (Benin). This is due not only because of self-serving opposition from domestic actors, as argued by much of the political economy literature, but also because these policies hardly fit the prevailing combination of market, institutional and policy failures.

This is one of the main findings of the Africa Power and Politics (APPP) Cotton Sector Research Project, which I have been coordinating since 2008, and which officially closed in June. As fieldwork was completed in summer 2011, I used most of the past academic year, especially during a spring semester of leave, to write the research outputs.

By examining cotton sector reform experiences in Benin, Burkina Faso, Cameroon and Mali, our project participates in current debates about the state of economic, specifically agricultural, policies in Africa today. We highlight the dire need for new policy paradigms, which not only make more valid use of insights from the

current literature, but also better reflect local realities. Thus, in our examined contexts, we show that the main issue is not the parastatal's monopoly power per se, but the type of institutional arrangements that give bureaucrats the incentives to perform and to coordinate market operations. Similarly, we show that the excessive focus on price liberalization is misplaced, since price incentives are not very effective in transmitting incentives to farmers, given the social realities of cotton production in the region. By adhering to entrenched practices and long-standing myths, prevailing policy approaches miss the opportunity to build on the many positives that agricultural systems already display, and to leverage on local resources to get around real constraints.

The end life of a research project surely always encompasses a sense of accomplishment and relief, mixed with nostalgia and sadness. This is especially true when coordinating a project has entailed the privilege of directly collaborating with, and regularly interacting with, valuable in-country researchers. On the bright side, research never ends despite the finite nature of funding cycles, nor do the network ties and personal relationships that one has carefully cultivated. Parts of the data that my collaborators and I have been collected have not yet been exploited, and so I plan to continue working on this fascinating topic in the years ahead. The project website will remain active. You can read our existing and forthcoming publications at http://www.institutions-africa.org/publications/research_stream/cotton-sector-reforms.

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