“Leaving farmers as orphans”: Agricultural privitisation and reform of farmer organisations in Mali

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ABSTRACT

This case study explores the way in which farmers’ organisations in Mali have responded to sharp and rapid changes in their institutional environment. It shows how institutional reform (especially when urged or required by donors and other external agents) needs to be carefully sequenced, and based on a comprehensive understanding of existing economic, political and social arrangements and the interrelations between institutional levels. Otherwise, it runs the risk of disrupting economic activity, provoking political reaction and resistance, and compromising the purpose of reform. This case study of the institutional reforms of Mali’s Office du Niger (ON) and the Compagnie Malienne pour le Développement des Fibres Textiles (CMDT) dramatically illustrates these dangers. These reforms have been made without adequate consultation, clear communication of the intent and content of the reforms, or appropriate regard for the implications of high-level reform on local organisations and vice-versa. The response of farmers’ organisations, already overburdened with responsibilities beyond their capacity, and threatened with further changes in their own legal character, has been negative and has not contributed to the design of new institutions. Understanding and anticipating the politics of organisational response to institutional change is at the heart of effective institutional reform.
1 BACKGROUND

Mali is a landlocked, partly desert country, one of the least developed in the world. Its economy is dominated by agriculture. Two areas stand out for having received large-scale investment during the colonial and post-colonial eras and for the substantial control the government has exerted over smallholder agriculture: the Office du Niger (ON), a large scale riverine irrigation scheme, and the cotton zone, where agriculture has been dominated by the mixed public-private Compagnie Malienne pour le Développement des Fibres Textiles (CMDT). Both areas have seen major institutional reforms from the 1980s onwards, supported by international donors. These reforms have attempted to liberalise marketing of crops and agricultural inputs, decrease bureaucratic control of agriculture, change the forms and functions of farmer organisations, and make crop production more competitive in a world market. In their latest manifestations they involve the allocation of ON land to large-scale foreign agribusiness, and the privatization of CMDT. In each case, farmers have felt threatened by the reforms or aspects of them, and have made counter-demands through their farmer organisations.

Local-level farmer organisations, which have been given additional responsibilities as the role of the two parastatals\(^1\) contracted, are now themselves subject to reforms; broadly speaking enforcing a change from a looser “village association” model to a formal co-operative model.

This paper, based on qualitative fieldwork in the ON and the cotton zone, reviews the different waves of reform, and the sources of farmer opposition to them. The reforms to the ON and the CMDT are largely driven by inexorable external forces. We do not necessarily consider all the criticisms voiced by farmers as well-founded: whether they are or not, they are unlikely to have much impact. But we conclude that processes of communicating the reforms and the reasons behind them have been inadequate, and that the timing of the co-operativization of village organisations has caused unnecessary friction.

\(^1\) The term is used for convenience: the ON bureaucracy and the CMDT have very different legal statuses, objectives and roles.
2 THE OFFICE DU NIGER

The ON was conceived and established by the French colonial government in 1932 with a view to developing the French cotton industry as well as becoming the granary of West Africa (this dual objective remained after Malian independence until 1971, when the policy of growing irrigated cotton was discontinued). It also had a social objective of becoming a pilot region for the modernization of African farming. Farmers from different regions of French West Africa, some brought forcibly to the area, were granted renewable tenancies. Until 1984, farmers were subject to the “economic police”, a military body in charge of ensuring that all produce was sold through government channels (C. Coulibaly 1997, cited by Dougnon and Coulibaly 2007). It is often said in Mali that the ON is a state within a state, exerting a state-like control over the lives of its tenants.

The ON currently has a cultivated area of 136,000 hectares, with a total farming population of over 350,000 (Dougnon and Coulibaly 2007).

Since 1982, the ON has been the subject of major institutional reforms - summarised in Table 1 - in particular the transfer to newly-established Village Associations of many of the functions: supply of agricultural inputs, facilitation of agricultural credit, threshing, and marketing of rice. From 1994, new committees were established to allow farmer participation in land and water management. These developments have already been discussed in other IPPG funded work (Olukoshi et al. 2007b, Dougnon and Coulibaly 2007) and elsewhere. Analyses of these developments show mixed achievements. Kater et al. (2000) review both technical and socio-economic aspects of soil fertility management, and express cautious optimism. Diarra et al. (2000), regard the reform of milling and marketing as a success story, while Vandersypen et al. (2006) who question the adequacy and sustainability of institutions devolving water management to farmers. In 2001 a new and very different “reform” began: the Malian Government started to grant leases in the ON to large-scale agribusiness from other countries in the region, and globally.

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>Beginning of the Netherlands-funded rehabilitation programme ARPON (Improvement of the Production of Rice in the Office du Niger).</td>
</tr>
<tr>
<td>1984</td>
<td>Disbanding of the economic police; creation of the first village associations, confirmation of policy of intensification and rehabilitation. Liberalization of paddy(^2) marketing. Transfer to village associations of responsibilities for threshing and input supply.</td>
</tr>
<tr>
<td>1988</td>
<td>Loans to farmers for re-equipment through the National Agricultural Development Bank.</td>
</tr>
<tr>
<td>1994</td>
<td>Major reforms: disengagement of the ON management from all crop-marketing activities. Privatization of some central processing and marketing functions. Redefinition of ON mandate to focus on rehabilitation and maintenance of physical works and management of water. Beginning of farmer representation on the Administrative Council and Management committee. Establishment of two high-level joint committees of management and farmers, on maintenance of water network and on land management and land allocation.</td>
</tr>
<tr>
<td>1995</td>
<td>First Contract Plan over the period 1996–1998 signed between the State, the ON and the farmers. The Contract Plan determines the technical, financial and institutional engagements of each of the three partners.</td>
</tr>
<tr>
<td>1996</td>
<td>Enactment of Management Decree confirming farmers’ responsibility for</td>
</tr>
</tbody>
</table>

\(^2\) Rough rice that has not yet been dehusked.
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990s</td>
<td>Encouragement of crop diversification away from rice to onions, sweet potato, tomato etc., especially in 1997-98.</td>
</tr>
<tr>
<td>1997-98</td>
<td>Official recognition of farmer unions by ON management</td>
</tr>
<tr>
<td></td>
<td>Series of Contract Plans covering three-year periods from then onwards.</td>
</tr>
<tr>
<td>2000-01</td>
<td>Introduction of large-scale agribusiness starting with Chinese experimental farm.</td>
</tr>
</tbody>
</table>

3 The cotton zone

In the cotton zone, the CMDT was established at independence as a joint venture between the Malian government, which took a 60% stake, and the CFDT, a French parastatal, which initially retained 40% ownership, subsequently reduced to 8%.³ CMDT, and CFDT before it, historically operated an integrated system whereby it provided inputs, credit, agricultural research and extension, and a number of social-sector activities, and had a monopsony on buying and processing the cotton crop (Olukoshi et al. 2007c, see also Tefft 2000). Farmer organisations were established as a subordinate part of this system. However, land in the cotton zone is mainly held under traditional tenure, owned nominally by certain “autochthonous” families with usufructuary rights distributed in a relatively flexible manner.

From its creation in 1944 to 1988, the CFDT and its successor the CMDT served both economic functions (purchasing of cotton, ginning and sale) and social functions (education, adult literacy and health). The first institutional reforms in the cotton sector were implemented in 1988 with the adoption of the “Contract Plans” which managed the relations between the three principal actors: the state, the CMDT and the farmers. After the 1988 reforms all these functions were transferred to Village Associations (Associations Villageoises). In 1994 a legal mechanism was put in place to set the price of cotton before each agricultural season, taking into account changes in the world price and CMDT’s costs of production. Also at the beginning of each season there were negotiations between the banks, CMDT and the Village Associations on the funding of inputs.

The cotton zone was rocked in 2000/01 by a crisis known as the “cotton strike”. Cotton production dropped by a half as the farmers refused to cultivate. Several grievances were cited, including low prices for cotton, widespread indebtedness, poor relations between the farmers and CMDT staff, and poor management within CMDT. After the “États Généraux”⁴ for the cotton sector held in 2002, production rose again with more favourable prices offered by CMDT, but at the cost of a serious financial deficit for CMDT, which led the government to re-examine the whole sub-sector and to draft a policy Cotton Sector Policy Paper. This paper saw a progressive withdrawal of government through:
- Refocusing of CMDT on cotton marketing
- Withdrawal from extension, input supply and transport
- Liberalization of prices and marketing of seed cotton
- Eventual privatization of CMDT (with government to keep only a 20% share)

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³ CFDT is now majority privately owned, and known as Geo-coton
⁴ Referring to the consultative assembly of the different social classes in pre-revolutionary France
In 2001 the government launched the Initiative for Restructuring of the Cotton Sector (*Mission de Restructuration du Secteur Cotton* - MRSC), so as to build on the previous reforms through privatization of the CMDT. Since then the government, under pressure from international donors, has moved towards privatization of CMDT, which was finally approved by the Malian Parliament in August 2008. A privatised CMDT will be divided into four companies for the geographic sub-zones (South, North, Centre and West). In each company, private-sector operators will take a 61% stake, farmers 20%, CMDT employees 2% and the government will retain 17%.

4 FARMER REACTIONS TO THE REFORMS

*The Office du Niger*

Fieldwork carried out under the IPPG programme reveals widespread opposition by farmers and their representatives to the recent reforms in the Office du Niger, both because they do not go far enough in giving farmer organisations a voice in scheme management, and because of land tenure issues.

On scheme organisation, farmer representatives demand:

- A revision of the Management Decree for the ON, with the active participation of farmer organisations
- A meaningful involvement of farmer organisations in scheme management, rather than the current system where they are marginalised or treated as a means to an end
- An equitable joint management of the ON by the government and representative farmer organisations.

Land in the ON remains the property of the state. The 1996 management Decree created two categories of farm enterprise: family farms holding land under a tenancy contract (either annual or indefinite for more trusted farmers), and large-scale businesses leasing land long-term. The leaders of farmer organisations feel that there is still inadequate security of tenure for family farmers, and propose the extension of long-term leases to family farms. More generally, it is felt, the government should create conditions where farmers can have access to long-term loans for new investments in water management.

The leaders of farmer organisations consider that the reforms set private investors and family farmers at odds with each other. Farmers are concerned that all the discussions so far on the future of rice production are focussed on private investors, to the detriment of the 180,000 families who cultivate land under tenancy contracts. SEXAGON, the most powerful of the unions representing farmers, has asked why new initiatives on rice (on credit facilities, land tenure, and water quotas) have taken little account of family farmers. In SEXAGON’s view this will lead to a two-speed model of agriculture: on one side the private investors in their “pilot zones”, and on the other side smallholders with little hope of development. SEXAGON leaders claim that the granting of leases to private investors will ultimately force small farmers out, or at least make land unavailable for their children.

*The Cotton Zone*

During fieldwork carried out under the IPPG programme, farmers and farmer leaders were aware of the indispensability of cotton to the national economy,

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attached a strong value to their cotton-growing livelihoods, and articulated radical demands to defend them:

- The total abandonment of privatisation
- The raising of the price for seed cotton
- The reduction of input prices
- Improvement in the quality of seed and inputs
- The cancelling by government of the outstanding debts owed by cotton farmers (around FCFA 8 billion or €12 million)
- The abandonment of credit based on collective liability, so that each farmer is only responsible for his own loan
- Better networking of farmer organisations so they can obtain more advantageous farm credit
- The inauguration of a dialogue and a framework of regular meetings between APCAM (the national apex body for farmer organisations), CMDT, the Commission for Restructuring the cotton Sector, and the Ministry of Agriculture.

In particular, cotton farmers, through their organisations, oppose privatisation of the CMDT, fearing that the new owners will change the “rules of the game” in ways which will disadvantage them, and resenting that privatisation is being carried out without their consent. Farmers’ leaders refer to the situation of cotton farmers in the neighbouring countries of Burkina Faso, Benin and Côte d’Ivoire, where they say that privatisation has increased the poverty of farmers. In support of such grievances, allusion is made to the possibility that farmers may withdraw their labour and the use of their lands (the two factors of production they own) for cotton production. In the words of one farmer leader:

*The government cannot sell our fields and our labour-power. We will make use of them as we like; they are our property. Our power is not in Bamako, it is in our fields.*

5 FARMER ORGANISATIONS, UNIONS AND CO-OPERATIVES

In both areas, there are a variety of different types of organisations in which farmers are involved:

*Indigenous or Traditional Organisations*

These organisations are embedded in the cultures of the various ethnic groups and village communities. They are characterised by:

- The power of the village chief and his councillors, traditional but also serving as a link to the government, and since 1996 to the new decentralised local authorities
- Structures of mutual aid, manifested in age-based groups and in collaboration in collective agricultural work (on both cereals and cotton)
- Linkages to cultural elements, such as initiation societies.

The cotton zone is dominated by the Bamana (Bambara) and Senoufo, rightly or wrongly considered as the most conservative ethnic groups in Mali, and these organisations retain their power, and can influence the workings of the newer forms of farmer organisations. In the ON, due to the importation of farmers from different ethnic groups and a wide geographical radius, and due to the high degree of control exerted by the colonial and post-colonial scheme management, such organisations have lost what power they ever had.
**Government-Sponsored Farmer Organisations**

This category comprises Village Associations, and the closely-related *Tons Villageois*, as well as Co-operatives and Economic Interest Groups. Such organisations are the results of institutional reforms, but largely conceived in the image of the traditional organisations. They were designed to take responsibility for village development within the framework of development policies based on the principle of transfer of responsibilities to farmers. They have proved, overall, incapable of filling these roles, for reasons to do with: conflicts between their new objectives and their traditional management principles; the contradictory expectations of the government, ON management and CMDT; and their lack of real power to represent farmers and influence policy.

**Trade Unions**

The first trade union (*syndicat*) organisation in the cotton zone, the Union of Producers of Cotton and Staple Crops (*Syndicat des Producteurs de Coton et Vivriers* – SYCOV) was founded in 1992 in response to the international crisis in the cotton market which sharply reduced prices for Malian farmers. The second large scale union, the Union for the Promotion of Cotton and Staple Food Farming in Mali (*Syndicat pour la Valorisation des Cultures Cotonières et Vivrières du Mali* – SYVAC) resulted from a split in SYCOV but pursued the same goals: to fight for a cotton price that was acceptable to farmers and was not dictated by the market. When the National Assembly voted on the bill for the privatisation of the CMDT in August 2008 it was the unions which were at the head of the anti-privatisation campaign.

In the ON, the Union of Farmers of the ON (*Syndicat des Exploitants Agricoles de l’Office du Niger* – SEXAGON) as founded in 1997 to mobilise the peasants around important economic questions such as the marketing of rice by peasant organisations, the direct access of peasant organisations, without middlemen, to the market for agricultural inputs, and a tenure reform favourable to family farmers who otherwise seemed to be laid aside in favour of agribusiness. After the adoption of the law on agribusiness, it was SEXAGON which held multiple meetings and assemblies in villages and towns to protest against the marginalisation of family farming. However, over time there have been splits in the Unions and there are now four in the cotton zone and two in the ON.

**Chambers of Agriculture**

The Malian Chamber of Agriculture was established as a unique national organisation in 1989. From 1993, the implementation of rural reforms entailed the establishment of nine Regional Chambers of Agriculture, all affiliated to the Permanent Assembly of Malian Chambers of Agriculture (APCAM). The distinctiveness of this new organisation lies in its membership which combines farmer organisations and farmers as individual members. The Chambers of Agriculture have come to be seen as effective representatives of the rural population through mobilisation, information-sharing, dispute-resolution, and the defence of farmer interests through participation in policy-making.

Also relevant to a description of farmer organisations are political parties. Several national-level political parties have taken control of the rural *communes* (municipalities) which came into being with decentralisation in 1999-2000, and thus have an impact on rural development in the cotton zone and the ON. There are thus party-political positions on questions of institutional and organisational

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6 See Bingen 1998, 2000
reform in these areas. The Mayor of a commune can be a leader of several different farmer organisations. Political rivalries within farming communities in the cotton zone and the ON are considered one of the sources of weakness of farmer organisations. During the IPPG fieldwork, many informants said that farmers were so divided on political lines that they found it hard to agree on anything.

**Constraints on Farmer Organisations**

An earlier round of fieldwork under the IPPG programme in the ON (Dougnon and Coulibaly 2007) highlighted a number of factors that had constrained the operation of farmer organisation within the ON and in particular the transfer of economic responsibilities (for threshing, paddy marketing and input supply.

**Table 2: Constraints on Farmer Organisations in the Office du Niger**

<table>
<thead>
<tr>
<th>Legal Constraints</th>
<th>Economic Constraints</th>
<th>Social Constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absence of a legal framework</td>
<td>Over-indebtedness and proliferation of the AVs</td>
<td>Social cohesion crisis</td>
</tr>
<tr>
<td>Limited power for the farmer members of the joint committees</td>
<td>Corruption and bad management</td>
<td>Erosion of the work ethic</td>
</tr>
<tr>
<td>Marketing problems</td>
<td>Difficulties of access to fertiliser</td>
<td></td>
</tr>
<tr>
<td>Under-equipment and shortage of land parcels</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High cost of labour</td>
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</tr>
</tbody>
</table>

Source: Dougnon and Coulibaly 2007

In the cotton zone, the village associations suffer similar problems:
- A complete absence of legal status
- Poor management of resources; lack of transparency, embezzlement, and a lack of recourse to the courts
- Poor and undemocratic organisation; failure to call General Assembly meetings, accumulation of power by committee members, especially the literate ones, poor record-keeping, lack of internal or external audits
- Factionalism, and failures to find common cause between wealthier and poorer families, and between those with and without access to credit.

The capacity of the peasant organisations to effectively influence institutional reforms (e.g. the privatisation of the CMDT, the introduction of agribusiness to the ON, changes in water pricing) depends critically on their own performance in economic and organisational tasks: threshing of rice, weighing of cotton, input supply, marketing, management of credit, construction of health centres and schools. The better they perform economically, the more they will have internal cohesion and the more they will be able to face up to the state to assert their point of view. However, we estimate that across the two zones, less than 10% of farmer organisations are fully functioning.

This inability of farmer organisations to fulfil their agricultural and marketing functions, and their tendency to factionalism, limit the capacity of peasant organisations to influence or even participate in a unified way in the drafting and adoption of laws and regulations in the different waves of reforms that the ON and the cotton zone have experienced.
Co-operativisation

In both areas, farmer organisations have been undergoing a significant change—they are required to change their legal status from that of Village Association to that of Cooperative, more tightly regulated and more explicitly based on ideas of solidarity and collective liability, in order to access funds from banks and microfinance institutions.

Law No. 88-62/AN-RM of 1988 recognised the basic principles of co-operation, but allowed for Village Associations and Tons Villageois as well as more formal Co-operatives. Only one farmer organisation of any sort could be present within a village. The overthrow of the military dictatorship left this law null and void, and the replacement, Law No. 01-076 of 2001, explicitly withheld recognition from Village Associations, as well as allowing more than one co-operative within a village. In practice, the need for Village Associations to transform themselves into co-operatives has been felt since 2004.

The imposition of Co-operatives has set off fierce debates in both the cotton zone and the ON as to whether they are the form of farmer organisation best adapted to both the history of recent institutional reforms in each area and the recent decentralisation of government in Mali. According to some informants, if farmers are not properly trained, co-operatives will experience the same problems which crippled the Village Associations. The key question of the institutional reforms is not one of adopting new laws, but of properly implementing them. The questions raised by farmers’ leaders, and also by field-level government staff, have not yet been answered:
- How can the Village Associations, crippled by multiple management problems over 20 years, transform themselves in short order into effective, market-driven Co-operatives
- How can Co-operatives be designed as vehicles for rural solidarity when farmers are already protesting the imposition of collective liability for loans from banks and microfinance institutions?

6 CONCLUSIONS

The Office du Niger and the CMDT are key institutions for agricultural production and agricultural export in Mali (Olukoshi et al. 2007a), a country whose economy is dominated by agriculture. They or their successors must therefore be part of any Malian strategy for pro-poor growth. They also dominate the lives and livelihoods of large numbers of small farmers – livelihoods which are both complex and vulnerable. For example, fertiliser provided through CMDT has also had an impact on grain yields, and plough oxen bought when cotton prices were high have allowed extensification of grain cultivation (Benjaminsen 2001). This dual aspect increases the stakes in reforming them.

It is not within the scope of this paper to discuss the reasons for which, and the pressures under which, the Malian government has privatised CMDT and encouraged investment by agri-business in the ON irrigated zone, or the overall appropriateness of those policies. Nor are we able to present quantitative data on agricultural production or farmer incomes. But qualitative enquiry among farmers and farmer leaders each policy has incited fierce opposition among farmers and their leaders.

The trend in government policy in Mali since the mid 1980s, which has accelerated since democratisation, has been away from dirigiste, bureaucratic management of the rural economy and state provision of a wide variety of
agricultural and non-agricultural services, towards state withdrawal and increasing the responsibilities of farmer organisations.

This policy was surprisingly controversial. One can argue perhaps that dirigisme had become so deeply-rooted that farmers were unable to see the new policies as an opportunity but saw them instead as a breaking of a moral relationship – “leaving farmers as orphans”. Whether or not that is the case, both farmer acceptance of the new policies and the policies’ effectiveness in stimulating the rural economy have been severely weakened. Factors here have been a) the lack of assistance to farmer organisations to fulfil their new roles, leading to widespread malfunctioning of farmer organisations, b) the perception that the farmers’ organisations did not have policy space to make any real impact on policy and institutional set-ups in agriculture, and c) the association in farmers’ perceptions with other policies favouring the large-scale private sector. Against this background the attempt to enforce a single organisational model, that of Co-operatives, has become controversial.

The weakness of farmer organisations has at the same time limited their ability to contribute meaningfully to policy debates, at a time when a farmer voice is needed. Overall, experience in the Office du Niger and the cotton zone shows the importance of communication of policy decisions, capacity-building of farmer organisations to match the responsibilities placed on them, and careful sequencing of policies that restructure rural institutions.
REFERENCES