Governing Cotton Sectors: An Analysis of Reform Processes in Benin, Burkina Faso, Cameroon and Mali

Renata Serra[1]

[1] University of Florida, Center for African Studies, Gainesville, USA

rserra@africa.ufl.edu

Debates about economic reforms in agricultural sectors have been mainly centered on broad policy issues, for instance whether privatization and liberalization lead to better performance than state monopolies, and what may be the impact of alternative market structures on rural poverty. Conversely, limited attention has been devoted to understanding the factors, which lead African countries to undertake particular paths of reform. This is a particularly important gap when considering cotton sectors across Africa, since, despite the common reform agenda promoted vigorously (at times) by donors, what we observe in practice is a wide variety of reform types and different policy processes, with distinct development implications.

The cotton sector project within the Africa Power and Politics Programme compares the reforms undertaken by four major cotton producing countries (Benin, Burkina, Cameroon and Mali) in order to examine the particular local combination of institutional, political and economic factors behind observed realities. We propose an analytical framework which enables us to trace and better understand the role played by market failures, policy imperfections (e.g. the inability of the state to use the best policy instrument for a stated policy goal), the nature of the state, and the ethnic and social features of the cotton regions. We base our analysis on empirical evidence about realities on the ground collected by locally based research teams, both in the capitals and in several cotton villages.

Our research not only sheds light on how governance plays out in sectors of African economies, which is a valid and often neglected endeavor in its own right; it also helps to reveal the potential for different governance arrangements to lead to better or worse development outcomes. To this end, we link reform processes to an outcome measure (the degree of market coordination along the cotton value chain, measured as a composite public good produced by existing institutional arrangements among stakeholders).

Our findings, based on case studies and comparative analysis, suggest that the application of “first-best” rules (as in the Washington consensus) may be not only politically unfeasible but also development-hindering. Given market and policy imperfections, approaching economic reforms according to sound second-best or “best-fit” principles appears to lead to better outcomes.